Title: Proposed Strategy for the Eradication of bovine Tuberculosis - Partial Regulatory Impact Assessment (RIA)

Date: November 2017

Type of measure: Policy Review and / or Secondary Legislation

Lead department or agency: DAERA

Stage: Development

Source of intervention: Domestic NI

Summary Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

Bovine Tuberculosis (bTB) is one of the most costly and difficult animal health challenges in Northern Ireland. A TB Strategic Partnership Group (TBSPG) was established in autumn 2014 as an independent expert advisory group to develop a long-term strategy to eradicate bTB from the cattle population in Northern Ireland. The TBSPG published its bTB Eradication Strategy and Implementation Action Plan in December 2016. The TBSPG’s report contained 38 recommendations across a number of different themes. Following its publication, the Department of Agriculture, Environment and Rural Affairs (DAERA) considered the report and is seeking views on its response to the report. A copy of the full package consultation papers can be found at https://www.daera-ni.gov.uk/consultations.

The consultation considers six thematic headings: Management, Oversight and Partnership Working; Tools and Processes; Wildlife; Herd Health Management; Finance & Funding; and Research. Following a screening process, it is clear that some proposals within the Finance and Funding and the Tools and Processes section could have regulatory implications and we have carried out a partial regulatory impact assessment on those. Depending on the outcomes of the consultation, it is probable that further and more detailed consultation(s) could be required on some of the specific proposals within the consultation. Further consideration of any potential regulatory impacts would be carried out at that stage.

The current consultation also includes wildlife proposals. The consultation is seeking views on badger intervention proposals at a strategic level. A subsequent and more detailed consultation will take place, if appropriate, once detailed proposals have been developed by the Department, including views on any proposed changes to legislation related to badger intervention. Regulatory impact assessments will be considered further at that stage, as appropriate.

What are the objectives and the intended effects?

The overarching intention and objective of the draft strategy is to eradicate bTB from the cattle population in Northern Ireland. It is recognised that eradication of bTB will be a long-term commitment. The TBSPG employed independent economic consultants to carry out a cost/benefit analysis of the full package of its interrelated recommendations. That analysis showed that the eradication of the disease would bring substantial financial savings for taxpayers and the farming community, compared to the status quo situation remaining for the next 40 years. The analysis also demonstrated that, while there may be increased bTB Programme costs in the short to medium-term, they are anticipated to lead to reduced disease incidence with associated reductions in compensation and testing activity over the medium to longer-term.
Will the strategy be reviewed? Following Consultation

Spring 2018
Summary: Analysis and Evidence

Description: Thematic Chapter – Finance and Funding

Strategy

Summary – Analysis and Evidence

The annual cost of the bTB programme to taxpayers is very significant. In 2016-2017, the cost of the programme was some £35.5 million. This figure includes almost £18.4 million paid to herd-keepers in direct compensation for animals compulsorily removed as part of ongoing bTB controls. For the financial year 2017-2018, it is estimated that the total compensation bill could be in excess of £24 million, pushing the total programme costs to approximately £40 million. Independent economic analysis estimates the cost to farmers to be approximately £5,500 and the cost to government to be approximately £11,000 for each bTB breakdown.

The majority of costs associated with the eradication of bTB are met by public finances. There are increasing pressures on public finances, and it is unlikely that this position will be sustainable in the longer-term. DAERA’s draft strategy contains a number of options in relation to the finance and funding theme which seek to introduce an element of cost sharing and shared responsibility for eradicating bTB from cattle in Northern Ireland. The Department has also taken into consideration the TBSPG view that a change in the compensation regime would encourage the cultural change required to progress the eradication of bTB from Northern Ireland. Savings accrued would provide the Department with the opportunity to seek additional resources to support other measures proposed by the TBSPG that are necessary to achieve the goal of eradication of bTB from Northern Ireland.

Current Position

The Tuberculosis Control Order (Northern Ireland) 1999 (as amended) provides DAERA with the powers to slaughter cattle affected by bTB in order to prevent the spread of disease and requires that disease compensation be based on market value as though the animal were healthy. Compensation for both reactors and in-contact animals is currently paid at 100% of the market value of the animal.

The current bTB compensation arrangements rely on individual valuations of animals as carried out by DAERA livestock valuation officers. A Senior Livestock Valuation Officer undertakes a monitoring role to ensure that valuations are consistent across Northern Ireland and are in line with current market values.

The herd-keeper has the option to have an independent valuation carried out where there is disagreement with the DAERA valuation. There then remains ultimate recourse for both the herd-keeper and the Department to lodge an appeal with the Valuation Appeals Panel appointed by the Department.

The monetary value of animals that are removed from farms under the bTB Eradication Programme is the salvage amount that is obtained for the carcase and paid to DAERA. In 2016-2017 this was estimated to be approximately £4.2 million. In comparison, the total

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2 TB reactor: Animal that reacts positively to a bovine tuberculosis skin test. (Since 1 January 2010 any animal giving an inconclusive reaction to a second consecutive bovine tuberculosis test has been classed as a reactor (previously a third test was permitted)).
3 TB in-contact: Other animal in a herd that has been in close contact with an animal which has had TB confirmed.
compensation costs for paying 100% market value for those animals removed, and paid by the Department direct to farmers, is estimated to be approximately £24 million in 2016-2017.

Compensation, therefore, forms a significant proportion of the annual cost of the bTB Eradication Programme. This funding, while aiming to compensate herd-keepers for losses associated with animals slaughtered under the bTB Eradication Programme, does not contribute towards the eradication of the disease. In recent years, the cost of the disease has been rising as disease levels have risen. Given the constraints on public sector finances, the cost of uncapped and potentially unlimited compensation could be considered unsustainable.

Maintaining the status quo is, therefore, not viable in the longer-term. A solution which is fair and equitable to both the taxpayer and to the wider industry must be found.

**Finance and Funding Strategy Proposal A – Changes to the compensation system by means of a cap and reduction in compensation payments**

In its consideration, DAERA has been mindful that there is a lack of an upper limit on current compensation payments, the reality of further budget cuts, the increasing long-term costs of the current bTB programme and the concerns raised previously by both the European Commission and the Northern Ireland Assembly Public Accounts Committee about the current compensation regime.

The Department is, therefore, seeking views on proposals to change the compensation system in order to strike a more appropriate balance between ensuring reasonable compensation for farmers and protecting the interests of taxpayers. The Department is also mindful of the TBSPG view that such changes would encourage herd-keepers to take all reasonable steps to prevent disease in their herds.

The proposal is that compensation would be capped at £1,500 for non-pedigree animals and £1,800 for pedigree animals. The proposal also recommends that a one-off payment of £3,500 for one stock bull should be made to farmers (in each financial year) that have a bTB breakdown and reactor removal. These proposals in relation to a cap are in line with the TBSPG proposal. The Department believes that introducing this proposals could help ensure that the ongoing programme to eradicate bTB will be financially viable, sustainable and equitable to taxpayers and farmers alike.

The Department also proposes to introduce a reduction of 10% to the compensation rate (currently set at 100%) in year one, and a further 15% reduction in year two. This means that compensation would reduce to 90% of market value in year one, and 75% of market value in year two. A 75% compensation rate would align the bTB programme with the compensation regimes for other diseases, such as Brucellosis.

It is proposed that this reduction is introduced simultaneously with the cap on compensation. If both proposals were to be introduced simultaneously, it is envisaged that for each animal compulsorily removed, the herd-keeper would be paid the lesser of:

- The compensation value as derived by applying the compensation rate to each animal’s market value; and
- The compensation cap for that category of animal.

In order to assess the potential impact of these proposals on industry, the Department analysed compensation payments made in the financial year 2016-2017, these are displayed in a number of tables contained within Annex A.
It is hoped that the new arrangements for compensation would ensure that the programme to eradicate bTB is financially viable, sustainable and equitable to the taxpayer and farmers alike. Introduction of these proposals together would save approximately £4.8 million per year by year two of implementation. These changes would require an amendment to the Tuberculosis Control Order (Northern Ireland) 1999 (as amended).

**Key Assumptions, Sensitivities, Risks**

In its report, the TBSPG indicated that introduction of these measures would create the cultural change necessary to drive forward the ultimate goal of bTB eradication from Northern Ireland. Furthermore, that savings accrued by Government would provide an opportunity for the Department to bid for further funding to implement key aspects of the TBSPG Strategy required to realise the eventual goal of bTB eradication from Northern Ireland.

Key risks are:

- Delays in implementation
- Uncertainty of disease outcomes/reduction
- Lack of industry and stakeholder support for the proposal – or an insufficient level of farmer/farm family buy-in
- Failure to make necessary legislation to bring changes into operation
- Affordability (ability to ensure required level of funding)

**Finance and Funding Proposal B – Introducing payments for bTB tests**

DAERA is also considering a proposal to introduce a requirement for a herd-keeper to pay for one bTB herd test per year. The cost of the cattle testing element of the bTB Programme is significant and cost approximately £9.1 million in 2016. The vast majority of the bTB testing costs are met by Government and are thus funded by taxpayers. There is no charge for routine surveillance bTB testing applied to farmers.

In England, Scotland and Wales the costs associated with the payment of routine surveillance testing is met by Government.

In the Republic of Ireland, herd-keepers pay their private vet for one herd test per year (with the cost of additional risk and restricted herd testing being borne by the taxpayer). Additionally, they contribute to a levy towards disease eradication costs.

The DAERA proposal is that each herd-keeper should pay for one herd test per year, similar to the policy in operation in the Republic of Ireland, where they have successfully driven down their rates of bTB in recent years. This change to the programme would help to ensure a more equitable way of encouraging contribution from the industry and sense of cost sharing between both Government and industry for the bTB programme.

The cost to the Department for a Private Veterinary Practice (PVP) to carry out a bTB test for in 2016-2017 is detailed below. The average size of a herd test in 2016-2017 was 82 animals per herd test. The below table does also include a number of other additional services provided by PVPs through the PVP TB testing contract.
<table>
<thead>
<tr>
<th>First animal</th>
<th>£54.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each animal tested between 2 and 100 animals</td>
<td>£2.50 each</td>
</tr>
<tr>
<td>For each animal tested from 101 animals</td>
<td>£2.28 each</td>
</tr>
</tbody>
</table>

This change would require amendments to the Tuberculosis Control Order (Northern Ireland) 1999 (as amended) or the Tuberculosis (Examination and Testing) Scheme Order (Northern Ireland) 1999 (as amended).

**Key Assumptions, Sensitivities, Risks**

Key risks are:

- Uncertainty of disease outcomes/reduction
- Lack of industry and stakeholder for the proposal – or an insufficient level of farmer/ farm family buy-in
- Failure to make the necessary legislation to bring changes into operation
- Affordability (ability to ensure required level of funding)

**Cross Border Issues (Finance and Funding)**

How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland)?

In the Republic of Ireland a maximum of €3,000 is paid for all cattle, except for one stock bull per year when a cap of €4,000 applies and a cap of €5,000 for a pedigree bull. Farmers pay for one herd test per year and they contribute via beef and milk levies to compensation costs.

In England, DEFRA makes use of statutory monthly table valuations which reflect the average sale prices over the last month (non-pedigree) or six months (pedigree) of bovine animals in fifty-one different categories. The categories are based on the animal’s age, gender, type (dairy or beef) and status (pedigree or non-pedigree). The only exceptions are where insufficient market data results in categories without a set value and for buffalo and bison. The percentage of compensation may be reduced for bTB reactor cattle that are disclosed in herds with overdue bTB tests. DEFRA has recently consulted on provisions to reduce compensation (including the introduction of a cap of £5,000 per animal).

In Wales, 100% of the market value is paid, but taking into account that: the salvage value of the animal will be paid if it is more than the market value; and the highest amount of compensation that will be paid for a pedigree reactor is £5,000.

Scotland attained OTF status in September 2009 and maintains it by means of additional control measures for movements into the region. Their Tuberculosis (Scotland) Order 2007 (as amended) applies the necessary testing and control measures and provides for compensation to be paid at 100% of the market value of the animal.

Such market value is determined by agreement between the Scottish Ministers and the owner of the animal or by the use of specified valuer(s) giving the Scottish Ministers and the owner of
the animal a written certificate of the value of the animal (with payment for the valuer(s) being
met by the Scottish Ministers). The use of such valuer(s), however, is infrequent in light of
Scotland’s OTF status.

The Scottish Government are currently consulting on proposed changes to compensation and
disease control for bTB in Scotland. Their consultation sets out a number of proposals to
update the Tuberculosis (Scotland) Order 2007 (as amended) and also seeks views on a
specific proposal to introduce changes to the requirements for post-movement testing and the
way they pay compensation. They further propose the introduction of a cap of £5,000 on all
individual compensation payments.
Summary – Analysis and Evidence

The theme of Tools and Processes in the consultation relates to the transmission of bTB to herds, within herds and from herds. The consultation contains a number of proposals and options to minimise the potential for bTB transmission.

One of the main areas of Tools and Processes is the testing regime currently used by DAERA. Testing is used to identify and subsequently remove infected animals as quickly as possible, therefore limiting the transmission of bTB to other cattle. However, there is no single test that will identify all infected animals. For example, at a herd test the skin test (SICCT) for bTB may only detect 50% - 60% in infected animals, when used at standard interpretation levels. This means that potentially 50% of infected animals in a herd may go undetected. Repeated skin testing and other forms of testing increase the probability of detecting previously undetected animals.

European legislation requires that the skin test must be used as the standard test for bTB in cattle in the EU and therefore in both the UK and the Republic of Ireland.

Tools and Processes Proposal A - Increased Use of Gamma Interferon (IFNG) Testing

Gamma Interferon testing can detect infection earlier than the skin test, but its use here is constrained by laboratory capacity, cost control and logistics. Therefore the test is available to a proportion of infected herds. DAERA proposes to expand the use of Gamma Interferon testing. Currently Gamma Interferon testing is offered to selected herds on a voluntary basis and animals that test positive to the test are also removed on a voluntary basis. DAERA proposes to introduce a mandatory requirement for herds/groups to have the Gamma Interferon test where the Department considers it necessary. DAERA also proposes that all animals that test positive should be removed. This proposal would result in the removal of the current voluntary approach to the use of the Gamma Interferon test. The Department aims to expand the use of Gamma Interferon testing significantly. This proposal could be implemented without the need to amend existing legislation.

These proposals could have an impact on herd-keepers as more animals could be removed under the bTB Programme. The Department proposes to increase laboratory capacity before moving to introduce Gamma Interferon testing on a compulsory basis. It is therefore, too soon to estimate the likely impact of moving to compulsory testing and removal of positive animals. The Department, therefore, proposes to carry out a further consultation which fully outlines the potential impact of the proposal at that stage. Regulatory and business impacts will be considered further at that time.

Key Assumptions, Sensitivities, Risks

It is believed that this proposal could have a disease control benefit.

Key risks are:

- Resource costs higher than budgeted
- Delays in increasing laboratory and field capacity
- Uncertainty of disease outcomes/reduction
- Insufficient level of farmer/ farm family buy-in
- Affordability (ability to ensure required level of funding)

**Tools and Processes Proposal B - Herd Test Prior to Restocking**

Current DAERA policy allows keepers of breakdown herds (with the exception of severe breakdown herds) to buy animals into those herds prior to the remaining cattle (with negative test results) being subject to a second test. EU legislation requires negative test results on all animals following a full herd test before animals can be moved on to a farm, allowing any disclosure of disease. EU legislation further prevents restocking of herds subject to epidemiological assessment. A move towards full implementation may have some bTB control benefits.

It is recognised that that implementation of this recommendation could have an impact on the industry. However, the Department remains mindful of the need, not only to comply with EU legislation, but to consider all measures which will contribute towards the eradication of bTB.

It should also be noted that non-compliance could result in a barrier to trade or infraction proceedings. DAERA proposes to introduce measures to prevent the restocking of breakdown herds via a phased approach. This would minimise the considerable impact this change will have on the industry. DAERA proposes an interim transition stage where no movements will be permitted following a bTB breakdown until at least one further full herd test has been completed and reactors have been removed.

It is recognised that immediate and full compliance (that is - stopping all moves into a bTB breakdown herd until after a clear herd test), would have a disproportionate impact on dairy herds (reduced cash flow) and on beef finishing herds (cessation of business continuity) for little bTB benefit at this time. Therefore the interim transition stage of no movements in until at least one full herd test after the breakdown (whether clear or not) and removal of reactors is preferred. A fresh assessment can be made after implementation and before decisions are taken to tighten procedures still further.

The TBSPG analysed the impact of this proposal as part of their consideration of evidence throughout 2015 and 2016. This analysis, which was based on 2014 data found that there were between 1,800 and 2,000 herds that would have been prevented from moving animals in until they had completed a herd test. Normally just over 50% of breakdown herds move animals in during the course of the breakdown. During 2014, this was 900 herds involving 43,000 cattle. Approximately 510 herds purchased animals before the first test. It is recognised that the potential impact of this proposal could be greater, given that there has been a rise in bTB incidence since the analysis was carried out.

**Key Assumptions, Sensitivities, Risks**

It is believed that this proposal could have a disease control benefit.

Key risks are:

- Delays in implementation of measure
- Uncertainty of disease outcomes/reduction
- Insufficient level of farmer/ farm family buy-in
- Affordability (ability to ensure required level of funding)
Tools and Processes Proposal C - DNA Tagging

DNA tagging is important to ensure that bTB reactor identification, valuation and removal is correlated accurately. However, when reactor animals are detected, a DNA tag is not applied until a DAERA valuation office carries out the valuation stage, unless a DAERA vet has read the test and already applied the tag. Valuation generally takes place a number of days after the reactor has been identified and isolated.

DAERA proposes to provide authorisation for Approved Veterinary Surgeons (AVSs) to apply DNA tags to all reactors at disclosure. This will strengthen disease control. The current bTB testing contract includes provision for AVSs to apply DNA tags at disclosure, however implementation of this policy would require legislative change.

This proposal is not thought to have any significant impact on herd-keepers as an AVS would apply the tag when they are on farm and examining the animal, rather than this activity being carried out by a DAERA valuation officer at a later stage in the process. There would be no significant time commitment for the herd-keeper. Herd-keepers would, however, be legally obliged to permit the tagging on animals.

The proposal would require amendment to relevant secondary legislation.

Key Assumptions, Sensitivities, Risks

It is believed that this proposal could have a disease control benefit.

Key risks are:

- Resource costs higher than budgeted
- Delays in implementation
- Uncertainty of disease outcomes/reduction
- Insufficient level of farmer/ farm family buy-in
- Opposition from stakeholders
- Affordability (ability to ensure required level of funding)
Summary: Analysis and Evidence

Description: Thematic Chapter – Herd Health Management

Summary – Analysis and Evidence

DAERA is seeking views on the introduction of segregation notices to protect those herds that are at risk of disease spread from high risk groups within bTB breakdown herds. The use of segregation notices would provide a means to control the risk of spread of infection due to farm fragmentation, and animal movement within the herd. High-risk groups of cattle would be kept in specific fields or housed and, if necessary, prohibited from grazing on specified land parcels. A notice would be issued following a risk assessment by a veterinary officer, on a case-by-case basis. The key aim would be to protect herds within the locality of such land parcels and to protect groups within the breakdown herd itself.

The Department proposes to work with the farming industry to develop and introduce segregation notices.

Key Assumptions, Sensitivities, Risks

It is believed that this proposal could have a disease control benefit.

Key risks are:

- Resource costs higher than budgeted
- Delays in implementation
- Uncertainty of disease outcomes/reduction
- Insufficient level of farmer/ farm family buy-in
- Stakeholder opposition
- Affordability (ability to ensure required level of funding)
Annex A - Compensation Caps and Reductions

Table 1. Cap level impact on non-pedigree animals

<table>
<thead>
<tr>
<th>Cap level per non-pedigree animal</th>
<th>Total no. of herd-keepers in 2016-17 who would have been impacted by a cap at this level i.e. had compensation paid for any animal above this level</th>
<th>% of the total number of NI total herd-keepers impacted</th>
<th>% of the total number of NI herd-keepers compensated in 2016-17 impacted</th>
<th>Annual savings to DAERA (based on 2016-17 profile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1,000</td>
<td>1,729</td>
<td>7.1</td>
<td>72.6</td>
<td>£2,757,439</td>
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<tr>
<td>£1,100</td>
<td>1,529</td>
<td>6.3</td>
<td>64.2</td>
<td>£2,026,129</td>
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<tr>
<td>£1,200</td>
<td>1,299</td>
<td>5.3</td>
<td>54.6</td>
<td>£1,408,484</td>
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<tr>
<td>£1,300</td>
<td>1,026</td>
<td>4.2</td>
<td>43.1</td>
<td>£926,284</td>
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<tr>
<td>£1,400</td>
<td>742</td>
<td>3</td>
<td>31.2</td>
<td>£573,730</td>
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<tr>
<td>£1,500</td>
<td>464</td>
<td>1.9</td>
<td>19.5</td>
<td>£337,535</td>
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<tr>
<td>£1,600</td>
<td>295</td>
<td>1.2</td>
<td>12.4</td>
<td>£188,970</td>
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<tr>
<td>£1,700</td>
<td>177</td>
<td>0.7</td>
<td>7.4</td>
<td>£97,960</td>
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<tr>
<td>£1,800</td>
<td>75</td>
<td>0.3</td>
<td>3.2</td>
<td>£58,320</td>
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<tr>
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<td>58</td>
<td>0.2</td>
<td>2.4</td>
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<tr>
<td>£2,000</td>
<td>33</td>
<td>0.1</td>
<td>1.4</td>
<td>£24,700</td>
</tr>
</tbody>
</table>
### Table 2. Cap level impact on pedigree animals

<table>
<thead>
<tr>
<th>Cap level per pedigree animal</th>
<th>Total no. of herd-keepers in 2016-17 who would have been impacted by a cap at this level i.e. had compensation paid for any animal above this level</th>
<th>% of the total number of NI total herd-keepers impacted</th>
<th>% of the total number of NI herd-keepers compensated in 2016-17 impacted</th>
<th>Annual savings to DAERA (based on 2016-17 profile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1,200</td>
<td>252</td>
<td>1</td>
<td>10.6</td>
<td>£1,547,755</td>
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<tr>
<td>£1,320</td>
<td>246</td>
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<td>£1,440</td>
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<td>9.7</td>
<td>£1,231,670</td>
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<td>£1,560</td>
<td>208</td>
<td>0.9</td>
<td>8.7</td>
<td>£1,092,240</td>
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<td>190</td>
<td>0.8</td>
<td>8</td>
<td>£967,905</td>
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<td>£1,800</td>
<td>142</td>
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<td>6</td>
<td>£863,900</td>
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<td>£1,920</td>
<td>137</td>
<td>0.6</td>
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<td>£2,040</td>
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<td>£695,000</td>
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<td>£2,160</td>
<td>109</td>
<td>0.4</td>
<td>4.6</td>
<td>£629,100</td>
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<tr>
<td>£2,280</td>
<td>96</td>
<td>0.4</td>
<td>4</td>
<td>£570,000</td>
</tr>
<tr>
<td>£2,400</td>
<td>81</td>
<td>0.3</td>
<td>3.4</td>
<td>£517,900</td>
</tr>
<tr>
<td>£3,500 pedigree stock bull</td>
<td>36</td>
<td>0.1</td>
<td>1.5</td>
<td>N/A$^4$</td>
</tr>
</tbody>
</table>

#### Table 3. Cap level for pedigree or non-pedigree animals over £3000

<table>
<thead>
<tr>
<th>Cap level per animal, commercial or pedigree</th>
<th>Total no of herd-keepers in 2016-17 who would have been impacted by a cap at this level i.e. had compensation paid for any animal above this level</th>
<th>% of the total number of NI total herd-keepers impacted</th>
<th>% of the total number of NI herd-keepers compensated in 2016/17 impacted</th>
<th>Annual savings to DAERA (based on 2016-17 profile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£3,000</td>
<td>76</td>
<td>0.3</td>
<td>3.2</td>
<td>£348,400</td>
</tr>
<tr>
<td>£4,000</td>
<td>37</td>
<td>0.2</td>
<td>1.6</td>
<td>£193,700</td>
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<tr>
<td>£5,000</td>
<td>23</td>
<td>0.1</td>
<td>1.0</td>
<td>£114,350</td>
</tr>
</tbody>
</table>

$^4$ Numbers are extremely low to quantify and therefore are less relevant to overall calculations in provided table
Table 4. Percentage Reduction only on DAERA 2016-17 TB Compensation profile

<table>
<thead>
<tr>
<th>% reduction</th>
<th>Annual savings to DAERA (based on 2016-17 profile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>£882,150</td>
</tr>
<tr>
<td>10</td>
<td>£1,764,300</td>
</tr>
<tr>
<td>15</td>
<td>£2,646,450</td>
</tr>
<tr>
<td>20</td>
<td>£3,528,600</td>
</tr>
<tr>
<td>25</td>
<td>£4,410,750</td>
</tr>
<tr>
<td>30</td>
<td>£5,292,900</td>
</tr>
</tbody>
</table>
Table 5: Percentage Reduction and Cap levels applied to DAERA 2016-17 TB Compensation profile

<table>
<thead>
<tr>
<th>Category</th>
<th>Cap</th>
<th>Following 10% reduction in Year One. % of herd-keepers compensated in 2016-17 that would have been impacted by cap in 2016-17</th>
<th>Following 10% reduction in Year One. % of total herd-keepers in NI that would have been impacted by cap in 2016-17</th>
<th>Annual savings to DAERA with 10% reduction and subsequent cap (based on 2016-17 profile)</th>
<th>Following 25% reduction in Year Two. % of total herd-keepers in NI that would have been impacted by cap in 2016-17</th>
<th>Annual savings to DAERA savings with 25% reduction and subsequent cap (based on 2016-17 profile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-pedigree</td>
<td>£1,500</td>
<td>11.5</td>
<td>1.1</td>
<td>£1,533,275</td>
<td>1.6</td>
<td>0.15</td>
</tr>
<tr>
<td>Pedigree</td>
<td>£1,800</td>
<td>8.2</td>
<td>0.8</td>
<td>£986,135</td>
<td>5.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Stock bull</td>
<td>£3,500</td>
<td>0.4</td>
<td>0.04</td>
<td>negligible</td>
<td>0.13</td>
<td>0.01</td>
</tr>
</tbody>
</table>

5 Numbers are extremely low to quantify and therefore are less relevant to overall calculations in provided table