



HORSE RACING
IRELAND

Submission on the draft Animal Health Law Delegated Acts

INTRODUCTION

The thoroughbred equine sector is one of the most important industries in Ireland, supporting almost 29,000 jobs and annual expenditure of over €1.8bn, with most of this economic activity – and employment – taking place in rural Ireland.

Central to the industry's success is a global reputation for producing high quality thoroughbred racehorses. In world-wide terms, Ireland is the third biggest producer of thoroughbred foals (by volume) – behind only the United States and Australia – and 65% of these foals are produced for export. Last year alone Irish thoroughbreds were exported to 33 countries.

The movement of Thoroughbred horses for breeding is the largest direct component of this economic generation and is greater, by a factor of approximately 10, than the movement of horses for racing.

The stakeholders of the Irish racing industry have grave concerns with the current proposals for entry into the Union and for movements within the Union under the Animal Health Law. They will substantially disrupt the operating model of Thoroughbred breeding and racing in Ireland, and there is clear welfare implications if there are significant delays in the movement of these horses. Because of its island status, Ireland is particularly exposed in this regard.

Deloitte has provided independent analysis on the potential cost to the industry of restricted movement, and their conclusions are as follows:

- Of the €1.05bn of expenditure from the Irish Breeding and Racing industry – c.€600m is contributed from the Breeding industry – a significant proportion of which represents exports.
- Within the c.€600m, just under 50% is estimated to directly involve the free movement of horses, most notably:
 - **Public sales** - €169m of horses from Ireland were sold at British public sales (mainly Tattersalls in Newmarket), these sales consistently attract an extensive global network of potential purchasers of bloodstock which drives value for vendors. Irish vendors require unrestricted movement of horses to and from Britain to gain maximum benefit from these sales. A significant proportion of horses at sales are not sold or return to Ireland, hence it would represent a significant competitive disadvantage for their vendors if horses are subsequently required to remain in the UK for an extended period.
 - **Nomination fees** – see comments below under **SPECIFIC MATTERS OF CONCERN**
- **Regional spread** – there are several areas of high concentration of breeding in Ireland which risk being particularly negatively impacted by a decline in the industry, but all regions have some breeding activities.

- **Potential impact on breeding operations** – reduced expenditure generated by breeding operations could see a scaling back of operations across the range of different breeding operations resulting in reduced employment at each, noting the strong relationship between the number of horses under care at each stud farm and employment levels. However, there is a possibility that the restrictions on movement make a number of operations economically unviable with greater job losses.
- **Northern Ireland** – the free movement of horses is particularly important for the breeding industry in Northern Ireland as it relies on short notice access to stallions in the Republic of Ireland.
- **International investment** – Ireland benefits from the presence of and sizable investment by large global breeding operations. Such operations have flexibility to move staff, bloodstock and investment across countries, including when responding to any loss competitive position of which the introduction of significant restrictions on horse movements between the ROI and the UK is an example.
- **Ancillary industries** - any decline in expenditure associated with the core Breeding and Racing industry will also feed through to ancillary industries

You will be aware that free movement of thoroughbreds predates the European Union, and that for decades the industry has insisted on demonstrably high health standards for its equine participants.

Horse Racing Ireland contends that a better solution is essential to allow the movement of those categories of horses for which higher standards of health and welfare can be proven.

Together with our industry partners, we are at an advanced stage in the development and adoption of a digital application to track and collect data on the thousands of movements of thoroughbreds. This system will be integrated with a vaccinations application, which together will become an E-passport. This technology has the ability to provide the necessary assurance and information to member states to allow a system of movement that has served the EU well, and which will allow movement to continue in an adapted and indeed improved form in the future.

KEY ISSUES OF CONCERN

The three largest equine racing and breeding countries in Europe – Ireland, France, and Britain, account for 87% of total European production. Movement between these countries, including to and from Ireland through the land bridge of Britain, amounts to 25,000 annual movements.

Geography requires that more than 90% of horses moving from Ireland for breeding and racing must travel either to Britain or through Britain across the ‘land bridge’. These movements are of economic significance to the Irish and French Thoroughbred breeding and racing industries in particular and for the wider development of these industries across the EU.

In previous discussions and correspondence with the Commission, together with our partners in the European and Mediterranean Horseracing Federations, we have been assured that breeding stock would be included in the same derogations as those available to horses going to races and competitions, but this is not clear in the current draft of the derogated legislation.

This submission points out the proposals in the draft Animal Health Law Delegated Acts on requirements for entry into the Union which would severely damage the equine breeding and racing industry in Ireland.

SPECIFIC MATTERS OF CONCERN IN THE DRAFT DELEGATED ACTS

- Minimum residency periods of 40 days before departure from a third country and 30 days upon arrival in the EU will curtail movement for 'walk-in' Thoroughbred breeding mares moving between Member States and beyond (Article 11). It is recommended that more clarity is included in the wording of the derogations.

Approximately 25% of mares visiting Irish stallions, almost all of which are higher-end stallions, are from outside Ireland and the majority of these are 'walk-in' mares moving to and from another country within a few days depending upon the distance travelled.

Cost, convenience and control are therefore important factors which the introduction of minimum residency requirements would threaten, hence potentially changing overseas breeders' behaviour with Ireland becoming less competitive as a result.

Of the €130m total nomination fees to Irish stallions, €36m of this is estimated to be from the covering of c.1,500 British owned mares.

- There is an absence of reference to derogations for *breeding* equines in Article 11 of the draft legislation for movement and for assembly operations. It is recommended more clarity is included in the wording of the derogations so that the scope of the derogation is properly understood by Member States.

The volume and economic value of Thoroughbreds moving for breeding and for sales are greater, by a factor of approximately 10, compared to horses moving for racing.

The worldwide ban on artificial insemination in Thoroughbred breeding requires large movements of horses across borders, for example c. 10,000 between Ireland and France and Britain per annum.

- Restriction on shipments through a third country 'land bridge' (Article 14).

In the EU27, Ireland is the only country that would have to use a third country land bridge. Our unique geographical position as well as our heavy reliance on export markets, leave us particularly vulnerable. For reasons of animal welfare, most Irish horses cannot be transported by sea to Europe and instead, Britain is used as a 'land bridge' for horses exported to mainland Europe. The 'land bridge' is also a significant element of the breeding industry with most of the estimated 2,000 mares visiting Irish stallions every year, either coming from Britain or using Britain as a 'land bridge' from mainland Europe.

- Veterinary checks within 24hrs of movement (Article 13).

The requirement for Animal Health certification, with validity limited to 10 days, for the movement of breeding Thoroughbreds to other Member States and beyond is an unnecessary additional burden if High Health Status is maintained.

- Compulsory presentation at a BIP (instead of control at establishment of departure and destination) (Article 3).

This carries welfare concerns due to the potential for delays especially for younger animals being moved.

- Increased biosecurity risk from inappropriate derogations.

Derogations for movement based on all registered horses, rather than health status, would increase rather than reduce biosecurity risks. An example of this is the recently contained outbreak of Equine Influenza among Thoroughbreds across Europe. While it is fully understood that there are three definitions of equidae in EU regulations, these proposals allow welfare issues in transport, where registered pure breeds of low value – for example Shetland ponies, and ex-competition and race horses of similar lower value – have important derogations and can travel long distances because of the derogations the sports horse and racing sectors negotiated for our equines.

We would request clarification on the following references and potential omissions:

- **No specific reference to Breeding:** There is no specific reference to ‘breeding’ equines, only to *horses intended for competitions, races and cultural events*. Clarification is required on Article 2 [Definitions] clause (25) ‘*registered equine animal*’ to ensure that a ‘*purebred breeding animal*’ would be eligible to take advantage of derogations in the draft legislation as indicated in correspondence between the Thoroughbred breeding and racing industries and the Commission.
- **Regular Veterinary Visits:** Clarify ‘*regular*’ animal health visits from a veterinarian...’ What does ‘regular’ mean? This would be integral to High Health Horse Status. Specifically, with regard to proposed Article 11, if the Article 12 derogation is not applicable to *breeding* stock, which it is not with the current proposed wording, clause (b) ii of Article 11 will be very difficult to carry out.
- **Residency Periods:** It is understood equines must stay in the establishment of destination for 30 days after moving to the EU and before they can move again, and 40 days for competition horses, and 3 months for other registered horses. Or, do these derogations allow trans-shipment between EU Member States and third countries on condition they comply with Article 12 1. (a) and (b)?
- **Period for Veterinary Examinations:** Clarification on the difficulties of applying the short period (24 hours) for Veterinary certification before loading. 24 hours would be unmanageable in the field. A period of 48 hours would be manageable. And why is this needed for High Health status horses?
- **Land Bridge:** Clarification of derogation for land bridge for Listed and Non-listed third countries. How can Biosecurity risks be different for EU to EU transport via a third country land bridge as compared to movement from a third country establishment?

Clarification is also requested for the following:

- That during the residence period ‘*no animals were introduced into that establishment during that period*’ of up to 40 days?
- That during the residence period of 40 days horses ‘*have been under supervision of the official veterinarian in a third country or territory*’ for up to 40 days?
- That during the residence period of up to 40 days horses have ‘*no contact with animals of a lower health status?*’
- Consistency of draft text - ‘*Moreover, horses intended for competitions, races and cultural events, because of their high-level health status, should be exempted from a minimum residency period when those horses comply with additional guarantees.*’