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FINAL REPORT OF AN AUDIT

CARRIED OUT IN

CHILE

FROM 29 NOVEMBER TO 10 DECEMBER 2013

IN ORDER TO EVALUATE THE FOLLOW-UP ACTION TAKEN BY THE COMPETENT  
AUTHORITIES WITH REGARD TO THE SYSTEM OF CONTROLS OVER THE  
PRODUCTION OF FRESH BEEF MEAT DESTINED FOR EXPORT TO THE EU, AS WELL AS  
CERTIFICATION PROCEDURES

## ***Executive Summary***

*The report describes the outcome of an audit carried out by the Food and Veterinary Office (FVO) in Chile from 29 November to 10 December 2013. The objectives of the audit were to evaluate the follow-up actions taken by the Servicio Agrícola y Ganadero (SAG), the Chilean Central Competent Authority (CCA) in response to the recommendations of the previous FVO report (ref. DG(SANCO)/2013-6865, with a specific focus on the official controls and certification procedures in place for the export of fresh beef destined to the European Union (EU).*

*New instructions have been issued and check-lists have been amended or drafted for authorised and official veterinarians in charge of supervision of the EU eligible (PABCO – Planteles de Animales Bajo Control Oficial – Animal Holdings Under Official Control) holdings; moreover, the existing national provisions have been amended with the aim of strengthening the system of official controls over such holdings in relation to animal identification, movement controls and the national database for cattle. The recently created Co-ordinators for Animal Traceability at regional level have largely contributed to the progress noted during the audit, through the extensive training and support provided to all participants in the reinforced PABCO programme, now called "PABCO Vigente UE".*

*The significant deficiencies identified in the PABCO A system (designed especially for cattle) during the FVO audit carried out in February 2013 have been mostly corrected: all holdings for which the owners have demonstrated their interest in joining the new scheme have been audited and those having complied with the requirements have been listed in the new scheme as suppliers of EU-eligible cattle to export slaughterhouses. Currently, 48 holdings are listed in the PABCO Vigente UE system, showing a significant reduction from more than 2 400 PABCO A holdings listed at the beginning of the year.*

*The limited shortcomings noted at holding level (mainly concerning larger farms) and in the SIPEC database are not sufficiently serious to jeopardise the current system, in particular due to the limited number of farms participating in the programme. However, once more holdings are incorporated it may need further improvements and strengthening.*

*A number of recommendations have been made to the Chilean CCA with a view to addressing the deficiencies identified during this audit.*

# Table of Contents

<b>1</b>	<b><u>INTRODUCTION</u></b> .....	<b>1</b>
<b>2</b>	<b><u>OBJECTIVES</u></b> .....	<b>1</b>
<b>3</b>	<b><u>LEGAL BASIS</u></b> .....	<b>1</b>
<b>4</b>	<b><u>BACKGROUND</u></b> .....	<b>2</b>
<b>5</b>	<b><u>FINDINGS AND CONCLUSIONS</u></b> .....	<b>3</b>
5.1	<b><u>LEGISLATION AND COMPETENT AUTHORITIES</u></b> .....	<b>3</b>
5.1.1	<i>LEGAL BASIS</i> .....	<b>3</b>
5.1.2	<i>FINDINGS</i> .....	<b>4</b>
5.1.3	<i>CONCLUSIONS</i> .....	<b>7</b>
5.2	<b><u>HOLDING REGISTRATION, ANIMAL IDENTIFICATION AND MOVEMENT CONTROLS</u></b> .....	<b>7</b>
5.2.1	<i>LEGAL REQUIREMENTS</i> .....	<b>7</b>
5.2.2	<i>FINDINGS</i> .....	<b>7</b>
5.2.3	<i>CONCLUSIONS</i> .....	<b>11</b>
5.3	<b><u>OFFICIAL CERTIFICATION</u></b> .....	<b>11</b>
5.3.1	<i>LEGAL REQUIREMENTS</i> .....	<b>11</b>
5.3.2	<i>FINDINGS</i> .....	<b>11</b>
5.3.3	<i>CONCLUSIONS</i> .....	<b>11</b>
<b>6</b>	<b><u>OVERALL CONCLUSION</u></b> .....	<b>12</b>
<b>7</b>	<b><u>CLOSING MEETING</u></b> .....	<b>12</b>
<b>8</b>	<b><u>RECOMMENDATIONS</u></b> .....	<b>12</b>
	<b><u>ANNEX 1 - LEGAL REFERENCES</u></b> .....	<b>14</b>

## ABBREVIATIONS AND DEFINITIONS USED IN THIS REPORT

<b>Abbreviation</b>	<b>Explanation</b>
Agreement	(Annex IV of the Association Agreement between the European Union and its Member States of the one part and the Republic of Chile of the other part)
CA(s)	Competent Authority(ies)
CCA	Central Competent Authority (the SAG – <i>Servicio Agrícola y Ganadero</i> )
DG(SANCO)	Health & Consumers Directorate General
DIIO	<i>Dispositivo de Identificación Individual Oficial</i>
DPP	Livestock Protection Division ( <i>División de Protección Pecuaria</i> )
EC	European Community(ies)
EU	European Union
FBO(s)	Food Business Operator(s)
FCI	Food Chain Information
FMA	<i>Formulario de Movimiento Animal</i> (movement document for all species of animals)
FVO	Food and Veterinary Office
Hygiene Package	Regulations (EC) No 852/2004, No 853/2004 and No 854/2004
MVA	<i>Medico Veterinario Autorizado</i> (Authorised Veterinarian)
MVO	<i>Medico Veterinario Oficial</i> (Official Veterinarian)
PABCO	<i>Planteles de Animales Bajo Control Oficial</i> (Animal Holdings Under Official Control), a system created for holdings which provide EU-eligible animals to EU-approved slaughterhouses
PABCO A	PABCO holdings especially designated for cattle
PABCO Vigente UE	PABCO cattle holdings with a special status, recognised after the previous FVO audit in February 2013 and in which all reinforced official controls have been performed in accordance with the new national provisions and instructions issued since April 2013
RFID	Radio-frequency Identification, wireless radio-frequency in eartags for the purposes of automatically identifying cattle
SAG	<i>Servicio Agrícola y Ganadero</i> , the Chilean CCA
SIPECweb	<i>Sistema de Información Pecuaria</i> (the national animal database)

## 1 INTRODUCTION

The audit took place in Chile from 29 November to 10 December 2013 as part of the planned audit programme of the Food and Veterinary Office (FVO). The audit team comprised two auditors from the FVO.

The FVO audit team was accompanied by representatives from the CCA, the Agriculture and Livestock Service (*Servicio Agrícola y Ganadero* -SAG), in particular its Livestock Protection Division (*Division de Proteccion Pecuaria* - DPP).

The opening meeting was held on 29 November 2013 with the CCA in Santiago. At this meeting the FVO audit team confirmed the objectives of, and itinerary for the audit, and additional information required for the satisfactory completion of the audit was requested.

## 2 OBJECTIVES

The objectives of the audit were to follow-up the actions taken by the Chilean CCA in response to the recommendations of the previous FVO report (ref. DG(SANCO)/2013-6865) (see Section 4).

In pursuit of these objectives, the audit itinerary included the following:

COMPETENT AUTHORITIES			Comments
Competent Authorities	Central	2	Opening and closing meetings.
	Regional	3	Regions X (Los Lagos – in Puerto Montt), XIV (Los Rios – in Rio Bueno) and IX (Araucania – in Temuco).
	Local	8	Authorised and official veterinarians met during the visits to the cattle holdings, and the official inspection team in the slaughterhouse visited.
FOOD PRODUCTION / PROCESSING / DISTRIBUTION – ACTIVITIES			
Slaughterhouses		1	With annexed cutting and cold storage facilities.
Cattle holdings		7	Two in Region X, three in Region XIV and two in Region IX.

## 3 LEGAL BASIS

The audit was carried out under the general provisions of provisions of:

- the Agreement on Sanitary and Phytosanitary measures applicable to trade in animals and animal products, plants, plant products and other goods and animal welfare – hereafter Agreement - (Annex IV of the Association Agreement between the European Union and its Member States of the one part and the Republic of Chile of the other part). The Association Agreement was approved by the Community with Council Decision 2005/269/EC in February 2005.

- EU legislation and, in particular Article 46 of Regulation (EC) No 882/2004 of the European Parliament and of the Council on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules.

N.B. Full legal references are provided in Annex 1. Legal acts quoted in this report refer, where applicable, to the latest amended version.

#### 4 BACKGROUND

The previous audit concerning the safety of food of animal (mammalian) origin in Chile was carried out from 18 February to 1 March 2013, the results of which are described in report DG(SANCO)/2013-6865 – MR Final. This report is accessible at: [http://ec.europa.eu/food/fvo/index\\_en.cfm](http://ec.europa.eu/food/fvo/index_en.cfm).

Several relevant non-compliances were detected during the audit, in particular related to the system of PABCO A holdings (*Planteles de Animales Bajo Certificación Oficial* – Animal holdings under official certification) providing bovine animals to slaughterhouses for export of beef meat to the EU:

- weaknesses in animal identification, with up to 43% of the animals with only one of the two elements of their identification, whilst several animals had no eartags at all in the holdings visited;
- animals identified with official eartags were still not entered into the SIPECweb (*Sistema de Información Pecuaria* – the national animal database), and a significant backlog existed concerning animals identified since 2008, with animals unknown in the SIPECweb.
- the management of eartags before being applied to bovine animals did not ensure their full traceability, and no verification was carried out in relation to the buying, the using and the remaining stock of eartags;
- movements of EU eligible bovine animals were carried out between different holdings belonging to the same owners without any movement document accompanying them, or significant delays occurred for the notification and registration of the movements in the SIPECweb, resulting in animals whose current location was unknown;
- significant deficiencies were noted with regard to the performance of MVAs (*Medicos Veterinarios Autorizados* – Authorised veterinarians) when checking the PABCO holdings: no proper controls were carried out to ensure that the number of animals present at the holdings would match those notified in SIPECweb, or that all movements of animals were accompanied by the movement documents, or that the conditions of the use and registration of eartags was physically verified;
- the system of verification of the performance of MVAs by the SAG officials (MVOs – *Medicos Veterinarios Oficiales* – Official Veterinarians) did not detect the significant and obvious deficiencies noted by the FVO audit team;
- in one slaughterhouse visited the system for checking EU eligibility of carcasses was not effective;
- mass treatments were not linked to identified bovine animals and some “off label treatments” (with medicinal products authorised for use on other species) to cattle had no withdrawal periods.

Five recommendations were made to the Chilean CCA in the report DG(SANCO)/2013-6865, of which two relate to the official controls on cattle and beef meat:

Recommendation No 3 - “To improve urgently the system of official controls over the PABCO A

*system, to ensure that all deficiencies concerning identification of animals, movements controls, notifications of events to the SIPECweb are detected, corrected and properly followed-up by authorised veterinarians and official veterinarians, in order to guarantee that all bovine animals slaughtered for the EU fulfil the requirements laid down in Regulation (EU) No 206/2010, and be in a position to certify all the statements contained in the BOV certificate laid down in Regulation (EU) No 206/2010”.*

Recommendation No 4 - *“To ensure that, in respect of animals/products derived from which are intended for export to the EU, drug withdrawal periods are sufficiently long to guarantee the absence of detectable residues in meat and that testing for residues of such substances (e.g. phenylbutazone) is included in the scope of the residue monitoring plan in line with the requirements of Article 29 of Council Directive 96/23/EC”.*

The Chilean CCA by letter of 26 March 2013 voluntarily suspended from 27 March 2013 the export certification of beef meat destined to the EU. Moreover, the CCA committed to undertake the corrective actions needed to address the recommendations of the report. Details of the proposed actions are given in the relevant sections of this report.

These actions have been assessed by the FVO and evaluated as providing the necessary guarantees that the deficiencies were rectified; these guarantees included a significant reduction in the number of holdings rearing animals to produce beef being exported to the EU and a reviewed segregation system able to ensure that the meat intended for the EU does not come from animals treated with EU prohibited substances.

Following this assessment, the Chilean CCA by letter No 4483/2013 of 1 October 2013 confirmed the re-issuance of export certificates for beef meat destined to the EU from 2 October 2013.

According to data provided by the CCA, Chile exported 624 tonnes of beef to the EU in 2012 and since exports of beef meat to the EU resumed 30 consignments have so far been exported (39 661 tonnes).

## **5 FINDINGS AND CONCLUSIONS**

### **5.1 LEGISLATION AND COMPETENT AUTHORITIES**

#### *5.1.1 Legal basis*

Article 46.1 of Regulation (EC) No 882/2004 stipulates that official controls by Commission experts in third countries shall verify compliance or equivalence of third country legislation and systems with EU feed and food law, and EU animal health legislation. These controls shall have particular regard to points (a) to (e) and (g) of the aforementioned Article.

Point 1.2 of the Appendix VII to the Agreement outlines that verification should be designed to check the effectiveness of the auditee.

Art. 8(1) of the Agreement stipulates that for the products of animal origin the import conditions of importing Party shall be applicable to the total territory of the exporting Party.

Article 5 of the Agreement defines the responsible authorities as follows:

1. The CAs of the Parties are the authorities competent for the implementation of the measures referred to in this Agreement, as provided for in Appendix II, namely the Ministry of

Agriculture through the SAG.

2. The Parties shall, in accordance with Article 12, inform each other of any significant changes in the structure, organisation and division of competency of their CAs.

Point 4(d) of Part B of Appendix V to the Agreement outlines that the verification concerns the structure and organisation of the CA as well as the powers available regarding the implementation of importing Party's rules.

### 5.1.2 Findings

#### 5.1.2.1 Legislation

The relevant national laws, regulations and administrative provisions considered by the CCA to provide guarantees equivalent to the EU legislation have been described in detail in the previous reports.

#### Observations:

Since the last FVO audit in February 2013, several provisions have been published in order to address some of the recommendations of the previous report (details are described in the relevant sections of this report).

In particular, in response to recommendation N° 3, the Chilean CCA has issued the following new legal provisions with the aim of strengthening the performance of the existing system for cattle traceability:

- Resolution N° 3.423/2008, which created the Chilean Official Programme for Animal Traceability, has been modified by Resolution N° 2927 of 17 May 2013 to improve the traceability of eartags (*Dispositivo de Identificación Individual Oficial* - DIIO) along their distribution chain: suppliers, distributors and final users are now requested to enter the information on DIIO into the SIPECweb database.
- Resolution N° 2948 of 22 May 2013 requires owners of cattle holdings to register in SIPECweb the basic traceability information related to animal identification, animal movements, animal inventory and changes of the authorised veterinarians (MVA) contracted by the farmers; each owner has been given password protected access to the database.

Moreover, additional measures have been established on official documents used for the verification and supervision of the EU requirements:

- The check-list (*Pauta F-PP-IT-050*) used for the evaluation of PABCO holdings by the MVAs has been modified to include new traceability requirements for cattle and stricter controls on the use of veterinary medicinal products.
- a new check-list (*Pauta F-PP-IT-060*), applied by the official veterinarians (MVO) with the purpose of auditing and strengthening the verification carried out by MVAs on PABCO holdings, has been drafted: the correct use of the check-lists by the MVAs and their actions in cases of non-compliances at holding level are evaluated based on the assessment of their performance.
- Circular N° 354 of 28 June 2013 requires farmers to provide the Food Chain Information – FCI (as laid down in Regulation (EC) No 853/2004) related to the animals sent for slaughter at least 24 hours before the arrival of cattle to the slaughterhouse; if this document is



missing the animals cannot be slaughtered for the EU market.

- Several more Circulars were issued between February and July 2013 related to the upgrading exercise of cattle PABCO holdings (see 5.2).

### 5.1.2.2 *Competent Authorities*

#### 5.1.2.2.1 *Organisation of Competent Authorities*

##### Observations:

The organisation of the CA remains largely as described in the previous report.

Circular N° 147 of 28 February 2013 had created the post of Regional Supervisor for Animal Traceability and PABCO, who at regional level has to promote all the required actions in the field related to animal traceability and to provide training, support and information to the farmers when accessing SIPECweb.

In the Regions visited by the FVO audit team this new post was activated between June and September 2013, and it has been put (together with the Regional Supervisor for inspection and certification - “*Supervisor Regional de Inspeccion y Certificacion*”) under the authority and responsibility of the Regional Livestock Officer (“*Encargado Regional Pecuario*”).

#### 5.1.2.2.2 *Competent Authorities powers, independence and authority for enforcement*

##### Observations:

As described in the previous report, there is a system in place to allow the implementation and enforcement of the requirements in regard to the traceability of cattle and to the production and certification of beef meat intended for export to the EU.

The FVO audit team noted that the Regional and local CAs were making appropriate use of their powers and authority for enforcement, especially in the field of traceability of live animals, with the suspension of a large number of PABCO holdings not complying with the requirements (see 5.2.2).

However, in a large cattle PABCO holding visited where a major non-compliance (discrepancies between the number of the animals registered in SIPECweb and those listed in the holding registers) was detected by the MVO a few months before the FVO audit, the corrective actions had not been properly documented as foreseen in the SAG procedures. Moreover, the MVO concerned explained that in case of detection of only one major non-compliance there is the option to withdraw the holding from the PABCO Vigente UE programme, but this is not mandatory; this was left at his discretion.

#### 5.1.2.2.3 *Supervision*

##### Observations:

The CCA carries out audits of the regions on an annual basis; in the 2013 audit programme there was a plan to audit twelve Regions, of which four were for the process of certification, nine for the procedure of inspection and listing of establishments and four for the approval of livestock holdings. However, due to staff being involved in other tasks, some of these audits have been cancelled and the scope of some others has been reduced; in particular, the audits for approval of

livestock holdings never took place, and the scope of those on inspection procedures and listing of establishments was limited to the inspection procedures at slaughterhouse level.

The CCA carried out instead visits to the southern Regions XII – *Magallanes*, XI - *Aysén*, X – *Los Lagos*, IX - *Araucanía*, VIII - *Bio-Bio* and XIV – *Los Rios* between June and September 2013 with the aim of providing help, support and training to these regions when carrying out the upgrading of PABCO holdings; activities had included visits to PABCO holdings and to EU-approved slaughterhouses.

#### *5.1.2.2.4 Training of staff in performance of official controls*

##### Observations:

In all regions visited extensive training has been provided to MVOs and MVAs; topics including the on-going upgrading exercise on PABCO holdings, the management of SIPECweb and the new application called “SIPEC-clientes” which is improving the performance of the current SIPECweb and is expected to be operational in 2014.

Moreover, regional meetings have been held with farm operators responsible for entering data into SIPEC, with the aim of informing them of the new requirements and their new responsibilities.

#### *5.1.2.2.5 Resources*

##### Observations:

As already mentioned (see 5.1.2.2.3), at CCA level the number of staff was not sufficient to perform the audits on the Regions as planned in the 2013 programme.

Adequate staff and other resources were available at the Regions visited.

During the previous FVO audit in February 2013 a considerable backlog in introducing data into SIPECweb was noted; the CAs stated that the number of staff was not sufficient to deal with all tasks required by the PABCO programme. In one Region visited the number of administrative staff responsible for entering data into SIPECweb has now increased by 100% (from one to two in each of the five local offices of the Region).

#### *5.1.2.2.6 Organisation of control systems*

##### Observations:

The control system with the exception of the new post of Supervisor of Animal Traceability and PABCO has not significantly changed since the last FVO audit.

The Supervisors for Animal Traceability and PABCO are requested to inform monthly their regional Directors on the progress of the upgrading exercise for EU-eligible holdings. In addition, e-mails with the request of listing of holding in the PABCO Vigente UE programme are sent to the CCA once the verification of compliance with the requirements has been satisfactorily completed.

#### 5.1.2.2.7 Documented control procedures

##### Observations:

The control procedures in place have been reviewed by the CCA since the last FVO audit: new items have been added to the check-list to be used by MVAs (*Pauta 050*), and the new check-list (*Pauta 060*) has been used by MVOs to assess the effectiveness of the controls carried out by MVAs in all holdings visited by the FVO audit team before such holdings were listed as EU-eligible.

As already mentioned (see 5.1.2.2.2), in one large holding visited the existing official procedures to deal with a major non-compliance were not fully documented.

#### 5.1.3 Conclusions

The new provisions issued by the CCA since the last FVO audit provide a satisfactory legal framework for the implementation of the new PABCO Vigente UE scheme. The recently created posts of Supervisors for Animal Traceability and PABCO have largely contributed to the progress noted during the audit, through the extensive training and support provided to all participants in the reinforced PABCO programme.

The PABCO Vigente UE programme has the potential to provide the requested assurances regarding the compliance with, or equivalence to, EU requirements; in large holdings, however, the system might be exposed to weaknesses during official controls as some deviations from the official procedures have been noted.

### 5.2 HOLDING REGISTRATION, ANIMAL IDENTIFICATION AND MOVEMENT CONTROLS

#### 5.2.1 Legal Requirements

The veterinary certification requirements for the introduction into the EU of fresh meat are laid down in Regulation (EU) No 206/2010. Point II.2 of the model certificates, in Part 2 of Annex II to the Regulation, sets out the animal health requirements to be met, including for bovine animals the requirement for the CA to have system(s) in place for holding registration and animal identification.

#### 5.2.2 Findings

In response to Recommendation No 3 of the report DG(SANCO)/2013-6865 (*“To improve urgently the system of official controls over the PABCO A system, to ensure that all deficiencies concerning identification of animals, movements controls, notifications of events to the SIPEC database are detected, corrected and properly followed-up by authorised veterinarians and official veterinarians, in order to guarantee that all bovine animals slaughtered for the European Union fulfil the requirements laid down in Regulation (EU) No 206/2010, and be in a position to certify all the statements contained in the BOV certificate laid down in Regulation (EU) No 206/2010”*) the CCA replied that a set of national provisions aimed to strengthen the supervision on PABCO A holdings was published between February and July 2013.

##### Observations:

##### Holding registration

At the time of the previous FVO audit, about 2 400 cattle holdings were listed as PABCO A

holdings, providing EU-eligible bovine animals to the export slaughterhouses.

In April 2013, as required by Circular N° 223 of 12 April 2013, an extensive check of SIPECweb took place, resulting in the suspension of all holdings not in compliance with the previous PABCO A requirements (lack of annual census and of check-lists expected to be completed every four months by MVAs during the supervision of the holdings); following such controls about 730 holdings were suspended for a period of a maximum of six months (most of them permanently de-listed later). Meetings have been held with the aim of informing farmers about the new requirements for entering the PABCO system and inviting them to participate; only holdings for which the owner had shown an interest in joining the new scheme have been visited by MVAs and MVOs to undergo a complete cross check of animals present on the farm with those registered in SIPECweb, taking into account all movements and births and deaths that have occurred since the last annual census was carried out; all discrepancies had been corrected.

Following this upgrading exercise, all compliant holdings have been listed in the new PABCO Vigente UE programme, and the access to the SIPEC database for entering or modifying data is only allowed to the owner or his/her representative through password protected access to the database. At national level only 48 holdings are currently listed.

Details concerning the situation in the Regions visited are shown in the table below.

<b>Region</b>	<b>PABCO A Holdings in February 2013</b>	<b>Holdings showing interest</b>	<b>Holdings now approved as PABCO Vigente UE</b>	<b>Holding willing to join the PABCO Vigente UE programme</b>
<i>X – Los Lagos</i>	450	63	13	0
<i>XIV – Los Rios</i>	329	58	6	8
<i>IX - Araucania</i>	150	63	13	14

In two Regions (XI - *Aysen* and XII - *Magallanes*) no farmers have shown interest in the new PABCO Vigente UE programme.

### Animal identification

As already noted during the previous FVO audits, and according to the CCA instructions, an animal will be legally identified as long as it bears only one eartag; it is not compulsory to replace one lost eartag. In some holdings visited by the FVO audit team, however, and following the decision of the owner, animals were re-tagged as soon as they lost one of the previous eartags, by either replacing the full set of official eartags or by applying a hand-written eartag with the same official number.

The bigger holdings visited (two out of seven) have chosen to replace the visual eartags with those equipped with a Radio-frequency Identification device (RFID), with the aim of facilitating the management of the herd and to avoid errors in registration of eartags. Since September 2013 it is compulsory to identify all newborn animals exclusively with RFID eartags.

In all cases seen of replacement of eartags with a new complete set, changes were recorded in the SIPECweb, allowing a link to be established between the old eartag and the new one.

In the holdings visited all animals were properly identified with two eartags, and only four cattle in one holding had single eartags.

With regards to the minimum number of animals to be physically checked at holding level during

the official controls carried out to grant the holding the new status of PABCO Vigente UE, the CCA agreed to apply the scheme proposed by the Commission services (based on a statistical model with a confidence interval of 99% and less than 1% of error for non-homogenous populations) as follow:

- Holdings with less than 300 cattle : 100% physical verification of bovines.
- Holdings with 300-600 cattle : physical verification of at least 300 bovines.
- Holdings with over 600 cattle : physical verification of at least 600 bovines.

In the holdings visited the FVO audit team noted that neither the CAs nor the farmers were able to demonstrate how many animals were physically controlled during the traceability exercises. In two holdings the MVAs told the FVO audit team that 100% of the herd was checked at least twice a year during large-scale treatments (e.g. deworming or synchronisation of oestruses), but this could not be documented; however, during the physical checks of cattle carried out by the FVO auditors no deficiencies or discrepancies between the animals listed in SIPECweb and those registered in the farm's journals were detected.

The CCA took immediate corrective action by publishing Circular N° 696/2013 on 9 December 2013, which amends the check-list (*Pauta 050*) in the part documenting the verification of traceability of cattle, the size of the sample of cattle physically checked and the type of non-compliance detected during such verifications.

#### Movement controls

According to the national provisions any animal moved from the farm of origin must be accompanied by a movement document (FMA – *Formulario de Movimiento Animal*): for holdings PABCO Vigente UE this document must primarily be completed within the SIPECweb, which allows the listed animals to be removed from the dispatching holding and be placed under the special status of “transit” until such movement is confirmed in the database by the receiving holding. The notification has to take place within five days of the event, otherwise the animals concerned will lose their status of EU-eligible. In case of cattle sent to the slaughterhouse, the deletion of animals from SIPECweb is the responsibility of the SAG inspection team at the plant.

When the holdings have no access to the internet in order to enter the data into the SIPECweb, a paper version of the FMA may be completed, and later (but in any case within five days) entered into SIPECweb when an internet access is available; this case occurred rather frequently in the holdings visited, due to the low quality of the internet connection available in a large part of the countryside. In most cases the FVO audit team noted that the paper and electronic versions of the FMAs were used in parallel; on one holding discrepancies were documented with regard to the number of animals moved (31 on the electronic FMA, 33 in the paper version and in the commercial documents).

The CCA stated that the new SIPEC-Clientes will have an off-line model in which FMAs can be completed; as soon as an internet connection becomes available, the FMAs will be automatically entered in the database.

#### Animal database

The CCA stated that SIPECweb is currently moving towards the new version SIPEC-Clientes which will have some additional tools including the traceability of eartags from the manufacturer to the purchasing holding, through the distributor/retailer. This new version is currently in a pilot stage and is expected to be fully operational by mid 2014.

The registration in SIPECweb of the range of eartags purchased by a farmer and allocated to his/her holding is already implemented, with the result that such eartags cannot be used on other holdings.

One of the corrective actions implemented by the CCA in response to the recommendations of the previous report was that SIPEC would contain a field in which withdrawal periods for veterinary medical treatments administered to cattle could be registered; this tool is foreseen to be implemented when the new application SIPEC-Cientes will be fully operational.

#### Official controls at holding level

The PABCO Vigente UE holdings are checked every four months by MVAs. In turn, MVAs are supervised by the SAG officials once a year at a minimum. At the beginning of the implementation of the PABCO Vigente UE system all MVAs checking the holdings have been supervised by the MVOs using the new check-list (“Pauta 060”).

The performance of MVAs and MVOs was in general satisfactory with a few minor deficiencies noted.

However, in the case of one MVO the performance in the supervision of one large holding was not entirely satisfactory, as indicated in 5.1.2.2.2.

#### Controls on EU eligibility of animals at slaughterhouse level

All operators of EU-approved meat processing establishments have been requested to draft and implement procedures to ensure EU-eligibility and proper traceability of bovine animals and beef meat: Circular N° 354 of 28 June 2013 requests all slaughterhouses to receive, at least 24 hours before the arrival of animals, all data concerning the FCI as required by Regulation (EC) No 853/2004.

In the three Regions visited the FVO audit team was provided with copies of the updated instructions drafted by all EU-approved meat processing establishments situated in such Regions.

At the slaughterhouse visited a set of updated instructions was also available, and the traceability system in place in the slaughterhouse visited was in principle able to ensure that only carcasses originating from EU-eligible animals could be exported to the EU; however, no EU-eligible animals were slaughtered for the EU market on the day of the visit.

The FVO audit team was informed that the SAG procedures require the official inspection team at the slaughterhouse to inform the operators running the slaughterhouse about any non-compliance noted on incoming cattle with regard to animal identification and FCI; in turn, the slaughterhouse procedures require that such feedback is being provided to the holding of origin. However, this is compulsory only in the case of EU-eligible cattle slaughtered for the EU market; when EU eligible animals are slaughtered for the national market such feedback is not required, with the result that possible errors in the identification of the animals or in the documentation accompanying them are not reported to the holding of origin for immediate correction by the farmer within SIPECweb. This had an impact on the reliability of data stored in SIPECweb regarding the PABCO Vigente EU holding (a large one) visited by the FVO audit team, with one animal still present on the holding recorded as having been slaughtered, while several others had their true status corrected two months later and some others had still their status incorrect at the time of the FVO visit.

### Records of medical veterinary treatments

In all holdings visited proper registration of treatment and storage of veterinary medical products, veterinary prescriptions and invoices was noted; large-scale treatments were linked to animal batches and their withdrawal periods were properly recorded.

As mentioned before, SIPEC-Clientes will contain a field in which the withdrawal period for veterinary medical treatments administered to cattle would be registered; it will warn when the withdrawal period has not yet being complied with and it will not allow the FMA to be issued for those animals when the destination is a slaughter facility.

Both check-lists used by MVOs and MVAs contain relevant fields for checking the use and proper registration of medical treatments administered to the animals.

#### *5.2.3 Conclusions*

On the basis of evidence collected in the Regions, holdings and meat processing establishments visited by the FVO audit team, the PABCO Vigente UE system, as it is currently implemented, can be considered as providing the guarantees requested for the export of beef meat to the EU.

The limited deficiencies noted at holding level (mainly concerning larger farms) and in the SIPECweb database are not sufficiently serious to jeopardise the current system, due to the limited number of farms participating in the programme. However, once more holdings are incorporated it may need further improvements and strengthening.

## **5.3 OFFICIAL CERTIFICATION**

### *5.3.1 Legal requirements*

Council Directive 96/93/EC lays down the general rules to be observed by third countries in issuing certificates required for exports to the EU, according to the specific EU veterinary legislation.

The specific animal health, public health and veterinary certification requirements for the introduction into the EU of products of animal origin intended for human consumption, are laid down in the product specific Commission Regulations (see point 5.7.1).

### *5.3.2 Findings*

#### Observations:

Due to the limited number of cattle holdings currently listed in the PABCO Vigente UE programme, very few consignments of beef meat have been dispatched from Chile to the EU since exports resumed on 1 October 2013.

The FVO audit team checked several certificates at the slaughterhouse and noted that they were supported by the appropriate documentation ensuring that meat was originating only from EU-eligible cattle.

### *5.3.3 Conclusions*

Export certificates of beef meat were supported by the appropriate documentation ensuring that meat was originating only from EU-eligible cattle.

## 6 OVERALL CONCLUSION

The new provisions issued by the CCA since the last FVO audit provide a satisfactory legal framework for the implementation of the new PABCO Vigente UE scheme. The recently created Supervisors for Animal Traceability and PABCO have largely contributed to the progress noted during the audit, through the extensive training and support provided to all participants in the reinforced PABCO programme.

On the basis of evidence collected in the Regions, holdings and meat processing establishments visited by the FVO audit team, the PABCO Vigente UE system, as it is currently implemented, can be considered as providing the guarantees requested for the export of beef meat to the EU.

The limited deficiencies noted at holding level (mainly concerning larger farms) and in the SIPECweb database are not sufficiently serious to jeopardise the current system, due to the limited number of farms participating in the programme. However, once more holdings are incorporated it may need further improvements and strengthening.

Export certificates of beef meat were supported by the appropriate documentation ensuring that meat was originating only from EU-eligible cattle.

## 7 CLOSING MEETING

A closing meeting was held on 10 December 2013 with the CCA, the *Servicio Agrícola y Ganadero* - SAG. At this meeting the FVO audit team presented the findings and preliminary conclusions of the audit and advised the CCA of the relevant time limits for production of the report and their response.

The representatives of the CCA acknowledged the findings and conclusions presented by the FVO audit team. In addition, information on action already taken and planned, in order to address particular findings in the establishments visited, was provided.

## 8 RECOMMENDATIONS

An action plan, describing the actions taken or planned in response to the recommendations of this report and setting out a timetable to correct the deficiencies found, should be presented to the Commission within 25 working days of receipt of the report.

Nº.	Recommendation
1.	To ensure that feedback is provided to the holding of origin in case non-compliances are found in European Union-eligible cattle when slaughtered for the national or the European Union market, in order to allow immediate corrections in the SIPECweb database.
2.	To ensure that appropriate and immediate corrective action is taken in all Planteles Animales Bajo Control Oficial (Animal Holdings Under Official Control - PABCO) cattle holdings where deficiencies are noted during official controls, in order to meet the requirements of the PABCO programme and to comply with the requirements of



<b>N°.</b>	<b>Recommendation</b>
	point II.1.4 of the BOV export certificate as laid down in Regulation (EC) No 206/2010.

The competent authority's response to the recommendations can be found at:

[http://ec.europa.eu/food/fvo/rep\\_details\\_en.cfm?rep\\_inspection\\_ref=2013-7189](http://ec.europa.eu/food/fvo/rep_details_en.cfm?rep_inspection_ref=2013-7189)

## ANNEX 1 - LEGAL REFERENCES

Legal Reference	Official Journal	Title
Reg. 882/2004	OJ L 165, 30.4.2004, p. 1, Corrected and re-published in OJ L 191, 28.5.2004, p. 1	Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules
Reg. 852/2004	OJ L 139, 30.4.2004, p. 1, Corrected and re-published in OJ L 226, 25.6.2004, p. 3	Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs
Reg. 853/2004	OJ L 139, 30.4.2004, p. 55, Corrected and re-published in OJ L 226, 25.6.2004, p. 22	Regulation (EC) No 853/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific hygiene rules for food of animal origin
Reg. 854/2004	OJ L 139, 30.4.2004, p. 206, Corrected and re-published in OJ L 226, 25.6.2004, p. 83	Regulation (EC) No 854/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption
Reg. 206/2010	OJ L 73, 20.3.2010, p. 1-121	Commission Regulation (EU) No 206/2010 of 12 March 2010 laying down lists of third countries, territories or parts thereof authorised for the introduction into the European Union of certain animals and fresh meat and the veterinary certification requirements
Dir. 96/93/EC	OJ L 13, 16.1.1997, p. 28-30	Council Directive 96/93/EC of 17 December 1996 on the certification of animals and animal products
Dec. 2005/269/EC	OJ L 84, 2.4.2005, p. 19-20	2005/269/EC: Council Decision of 28 February 2005 on the conclusion of the Agreement establishing an association between the European Community and its Member States of the one part, and the Republic of Chile, of the other part