



Executive summary of the public audit report

## DEVELOPMENT OF FARMED ANIMALS BREEDING

24 September 2015 No. VA-P-10-10-12



Full audit report in Lithuanian is available on the  
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## DEFINITIONS

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**MA** refers to the Ministry of Agriculture of the Republic of Lithuania.

**NPA** refers to the National Paying Agency under the Ministry of Agriculture.

**SFVS** refers to the State Food and Veterinary Service.

**SABSS** refers to the State Animal Breeding Supervision Service under the Ministry of Agriculture.

**AIRBC** refers to the SE Agricultural Information and Rural Business Centre. **BCAIS** refers to the beef cattle accounting information system. **FARIS** refers to the farm animal registry information system.

**HBIS** refers to the horse breeding information system.

**PBIS** refers to the pig breeding information system.

**LBIS** refers to the livestock breeding information system.

**Breeding development program** refers the Farmed Animals Breeding Development and Support Program for 2010-2015.

**Gene pool conservation program** refers to the Lithuanian farm animal genetic resource conservation program.

**Livestock breeding** refers to the system of livestock selection measures for achieving and breeding genetically improved livestock<sup>1</sup>.

**Breeding institutions** refers to an association or organisation registered according to the provisions of the law, which has a right to implement breeding (hybridisation) programs, fill in herd books and origin (hybrid) register, acknowledged by the Ministry of Agriculture<sup>2</sup>.

**An economic entity implementing livestock breeding** refers to a natural or legal person or an organisation, a subsidiary of a legal person or another organisation, implementing animal breeding in the territory of the Republic of Lithuania, supervised by the State Animal Breeding Supervision Service<sup>3</sup>.

**Farmed animal** refers to an animal kept or bred for food, fur, medicine or other products, as well as work or other farming purposes<sup>4</sup>.

**Breeder** refers to an animal, the origin and individual breed characteristics of which comply with the requirements for breeders<sup>5</sup>.

**Herd book** refers to an entirety of data about the origin of breeders, their productive qualities and breeding value, managed by an acknowledged breeding authority.

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<sup>1</sup> The Law on Animal Breeding of the Republic of Lithuania, 08-02-1994 No. I-384 (with further amendments), art. 2.

<sup>2</sup> Ibid.

<sup>3</sup> The Order of the Head of the State Animal Breeding Supervision Service under the Ministry of Agriculture No. 1A-27 of 28-05-2013.

<sup>4</sup> The Law on Animal Welfare and Protection of the Republic of Lithuania, 06-11-1997 No. VIII-500, art. 2.

<sup>5</sup> The Law on Animal Breeding of the Republic of Lithuania, art. 2.

**Livestock insemination** refers to a method of biotechnology, which increases the number of the offspring of male sires<sup>6</sup>.

**Productivity control** refers to defining productivity and breeding qualities of livestock, data accounting, registration and accumulation in animal breeding information systems.

**Breeding value** refers to the genetic potential of a breeder, compared to other breeders.

**Pedigree farmed animal** refers to a farmed animal, which or the parents and ancestors of which are included into or are appropriate for including into the herd book of the farmed animals of the same breed<sup>7</sup>.

**Farmed animal of the Lithuanian gene pool** refers to an animal of a specific recreated or maintained population or breed, developed in the Lithuanian geographic economic environment with its own characteristics, included into its own population (breed) conservation program<sup>8</sup>.

**Consultation** refers to administrative service provided by the State Animal Breeding Supervision Service, which includes oral or written, summarised or individual reply to a personal inquiry or inquiries regarding the application of the legal acts on animal breeding or related to animal breeding<sup>9</sup>.

**State support to agriculture** refers to any measure, which complies with the criteria indicated in the pt. 1 of the art. 107 of the Treaty on the Functioning of the European Union, provided for supporting activity, related to agriculture and food production, processing, trade and rural development<sup>10</sup>.

**Selection core of gene pool farmed animals** refers to the herd of gene pool animals for ensuring long-term true breeding, which includes all genealogical structure and which may be used for distributing genetic material<sup>11</sup>.

<sup>6</sup> The Law on Animal Breeding of the Republic of Lithuania, art. 2.

<sup>7</sup> The Lithuanian farm animal genetic resource conservation program, approved by the Order of the Minister of Agriculture No. 3D-58 of 06-02-2008, pt. 5.

<sup>8</sup> The Lithuanian farm animal genetic resource conservation program (edition in force before 11-07-2013), pt. 5.

<sup>9</sup> The Order of the Head of the State Animal Breeding Supervision Service under the Ministry of Agriculture No. 1A-1 of 07-01-2013. Pt. (<http://www.veislininkyste.lt/index.php?208428157>, accessed on 05-06-2015).

<sup>10</sup> The Law on Agricultural and Rural Development of the Republic of Lithuania, 25-02-2002 No. IX-987 (with further amendments), art. 2,

<sup>11</sup> The Lithuanian farm animal genetic resource conservation program, pt. 5.

## EXECUTIVE SUMMARY

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Farmed animals breeding is the entirety of organisational, economic, scientific, selective-zootechnical and veterinary measures for emphasizing and improving the productivity of farmed animals<sup>12</sup>. One of its major tasks is to improve Lithuanian animal breeds and preserve their gene pool. Having ratified the convention of Biodiversity in 1995<sup>13</sup>, Lithuania obliged to preserve the gene pool of the Lithuanian animal breeds. The list of protected breeds of the national gene pool of farmed animals<sup>14</sup> consists of 16 farmed animal breeds.

Animal breeding is a priority area of agriculture. The state supports breeding according to the Governmental programs or programs implemented by its authorised institution (Ministry of Agriculture)<sup>15</sup>, using the funds from the national and the EU fund. The measure "Lithuanian farm animal genetic resource conservation program" of the strategic action plan program "Rural development and business promotion" of the Ministry of Agriculture receives about one million euros every year, while the "Animal breeding support" measure — 3.27 million euros.

The performance audit is included into the public audit program because the decreasing number of farmed animals and farms<sup>16</sup> shows the decreasing interest of the farmers to develop stockbreeding; the quality of the carcass meat in Lithuania is low, because beef cattle herd structure is predominated by suckler cows (dairy cattle) rather than pedigree beef cattle. Compared to other EU countries, the number of controlled dairy cows in Lithuania is two times smaller.

The system of animal breeding consists of the Ministry of Agriculture, which develops the state policy in the field of breeding, as well as organises, coordinates and controls its implementation<sup>17</sup>, the State Animal Breeding Supervision Service, implementing the state policy in the field of animal breeding and implementing the state animal breeding supervision, animal breeders, breeding institutions acknowledged by the Minister of Agriculture (20 associations), the Chamber of Agriculture, as well as natural and legal persons providing breeding services.

The audit evaluated the efficiency of the development of farmed animal breeding: the appropriateness of breeding development measures, the conditions for preserving all endangered Lithuanian animal breeds, the management of breeding information, the efficiency of determining the productivity of farmed animals and the efficiency of the state breeding control.

Audited entities — the Ministry of Agriculture and the State Animal Breeding Supervision Service. We also gathered information for the National Paying Agency, State Food and Veterinary Service, Agricultural Information and Rural Business Centre, ten breeding companies<sup>18</sup>, 80% shares of which belong to the state, Lithuanian University of Health Sciences and Aleksandras Stulginskis University, 20 acknowledged breeding institutions (associations) and the Statistics Lithuania.

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<sup>12</sup> Farmed Animals Breeding Development and Support Program for 2010-2015, approved by the order of the Minister of Agriculture of the Republic of Lithuania No. 3D-1026 of 24-12-2009, pt. 1.

<sup>13</sup> Resolution of the Seimas of the Republic of Lithuania No. I-985 of 03-07-1995.

<sup>14</sup> The Lithuanian farm animal genetic resource conservation program, pt. 6.

<sup>15</sup> The Law on Animal Breeding of the Republic of Lithuania, art. 20.

<sup>16</sup> [http://www.zum.lt/zum/m/m\\_files/wfiles/file2024.pdf](http://www.zum.lt/zum/m/m_files/wfiles/file2024.pdf), accessed on 05-01-2015.

<sup>17</sup> Resolution of the Government of the Republic of Lithuania No. 1120 of 15-09-1998 (relevant edition in force as of 24-10-2010), pt. 8 and 9.24.

The audit period includes 2010-2014, the analysis of tendencies and changes includes earlier data and the data from 2015.

We have found out that the development of farmed animal breeding is planned insufficiently, therefore, there are no preconditions for effective and targeted improvement of the Lithuanian farmed animal breeds: The Farmed Animal Breeding Development and Support Program for 2010-2015 underestimates the current breeding situation, there are no criteria for assessing specific measures and achievements (current and planned values), therefore they are insufficient for appropriate monitoring and evaluation of breeding development; the selective programs of some of the acknowledged breeding institutions do not meet the goals of the strategic breeding development. There are no appropriate conditions for preserving all endangered farmed animal breeds: there are no criteria for including breeds into the list of protected Lithuanian farmed animal breeds and there are no sufficient measures for preserving these breeds, which results in great risk for some of them to become extinct. Farmers do not receive appropriate encouragement to implement animal productivity control, therefore, compared to other EU countries, the number of controlled dairy cows in Lithuania is two times smaller (46% of cows, while the EU average is 80%). The control of other pedigree farmed animals is also insufficient, therefore, there is no detailed breeding data, necessary for making strategic and economic decisions in the area of breeding. Seeking to ensure the improvement of Lithuanian farmed animal breeds and the conservation of the national gene pool, we recommended improving the preparation of the farmed animal breeding development and selection programs, to determine and implement measures for promoting the control of farmed animal productivity, as well as the conservation of the Lithuanian national gene pool. In order to reduce the administrative burden on the economic entities, we suggested the State Animal Breeding Supervision Service to implement more efficient state animal breeding supervision.

The Ministry of Agriculture assessed the measures: "Lithuanian farm animal genetic resource conservation program" and "Animal breeding support" (an assessment of the "Farmed Animal Breeding Development and Support Program for 2010-2015" was recently also performed) and provided the Office of the Government and the Ministry of Finances with conclusions and recommendations. It is planned to implement them before the end of the year 2015. Moreover, some of the shortcomings (regarding the publication of the assessments) were eliminated during the audit. Therefore, we omit some of our conclusions and recommendations.

The following public audit conclusions and recommendations were drawn upon the assessment of the audit findings.

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<sup>18</sup> UAB Gyvulių produktyvumo kontrolė, SE Pieno tyrimai, UAB Upytės eksperimentinis ūkis, UAB Dotnuvos eksperimentinis ūkis, UAB Šeduvos avininkystė, UAB Panevėžio veislininkystė, UAB Šilutės veislininkystė, UAB Lietuvos žirgynas, AB Lietuvos veislininkystė, AB Kiaulių veislininkystė.

## CONCLUSIONS

1. Farmed animal breeding development is insufficiently planned thus resulting in insufficient preconditions for effective improvement of Lithuanian farmed animal breeds and conservation of their gene pool:
  - 1.1. The "Farmed Animal Breeding Development and Support ""Program for 2010-2015" failed to evaluate the current situation in breeding area, there are no specific goal-oriented measures, the criteria for monitoring and assessment of the implementation of the program are insufficient, since there are no specific current and intended values and no responsible implementers of measures appointed (subchapter 1.1).
  - 1.2. The selection programs of some of the acknowledged breeding institutions do not indicate the program period, the goals of selection programs do not meet the strategic breeding development goals, there are no specific measures indicated, as well as achievement assessment criteria and their meanings (subchapter 1.3).
2. There are no appropriate conditions for preserving all endangered farmed animal breeds:
  - 2.1. There are no criteria for including a breed into the list of protected breeds of the national gene pool of farmed animals (subchapter 2.1).
  - 2.2. The measures implemented in order to preserve the endangered breeds included into the list of protected breeds of the national gene pool of farmed animals, are insufficient: the number of animals of two protected breeds (Lithuanian red cows and dairy goats of the old genotype) is decreasing, the population numbers of three protected breeds (Lithuanian hounds, Lithuanian local bees and Trakehner horses of the old Lithuanian genotype) are unknown and no action on the state level has been taken to preserve (restore) them; the preservation of other three endangered breeds (Lithuanian local pigs, white pigs of the old genotype and Lithuanian local goats) is also insufficient, since the risk of their location is not diversified. Therefore, these breeds are in great danger of extinction (subchapters 2.2 and 2.3).
3. There is no management of precise and detailed information, necessary for making strategic and economic breeding decisions, because the data of productivity control and genetic value is accumulated in non-integral and unofficial information systems (out of four information systems and the register accumulating this data only the Farm Animal Registry is taken into operation), they accumulate not all of the data on pedigree farmed animals and farmed animals of the gene pool, and the data is incomplete and inaccurate (chapter 3).
4. There are no sufficient conditions for implementing farmed animal productivity control more effectively:
  - 4.1. Farmers do not receive appropriate encouragement to implement animal productivity control, therefore, compared to other EU countries, the number of controlled dairy cows in Lithuania is two times smaller (46% of cows, while the EU average is 80%), because there is no training system and regular training for farmers on application of B and C methods, also there is no education on the benefit of productivity control (chapter 4).
  - 4.2. The measures used for implementing new productivity control technologies are insufficient — the number of productivity assessment of dairy cattle using genomic methods have decreased 1.5 times (chapter 4).
  - 4.3. The costs of performance monitoring at farms with cattle management systems are undifferentiated (chapter 4).
5. The state breeding supervision is ineffective:

- 5.1. There are no methods and forms of cooperation between monitoring institutions which would reduce the administrative burden on farmers: insufficient cooperation between the State Animal Breeding Supervision Service, State Food and Veterinary Service and the National Paying Agency results in failure to exchange in the data accumulated by institutions during entity monitoring procedures, some of the questions applied by different institutions repeat (chapter 5).
- 5.2. For the purpose of inspections the entities are selected based on the risk assessment according to inaccurate data, in some cases the entities for inspection are selected not according to the risk (farms with selective kernels); some entities do not receive periodical inspection — there are no scheduled inspections of animal inseminators, bee farms and fur farms (chapter 5).
- 5.3. The unscheduled farm visits unrelated to monitoring purposes create preconditions for ineffective use of the human, time and financial resources of State Animal Breeding Supervision Service (chapter 5).
- 5.4. Insufficient monitoring of elimination of the identified infringements, resulting in a decreasing number of feedback control (30 inspections in 2012, 7 — in 2014), since there is no defined procedure for implementing feedback control (chapter 5).

## RECOMMENDATIONS

The Ministry of Agriculture performed the assessment of the measures of the “Rural development and business promotion program”: “Lithuanian farm animal genetic resource conservation program” and “Animal breeding support”. Since the conclusions and recommendation implementation plans of the above-mentioned reports must be implemented until the end of 2015, we do not provide recommendations regarding the elimination of these shortcomings and the accumulation of the animal breeding data. In 2013 the National Audit Office provided the Ministry of Agriculture<sup>19</sup> with recommendations regarding the adoption of information systems, as well as preparation of required documents, but their implementation period has not yet ended (the recommendations must be implemented until 28 November 2016), therefore, we do not provide recommendations regarding the adoption of information systems.

### **For the Ministry of Agriculture of the Republic of Lithuania**

1. Seeking to promote targeted breeding development to ensure efficient improvement of Lithuanian farmed animal breeds and the preservation of their gene pool:
  - 1.1. in preparation of the farm animal breeding development and the planning documents regarding the preservation of the Lithuanian farmed animal gene pools, it is necessary to assess the current situation according to the results of animal breeding monitoring, use these results to define clear development goals, tasks and sufficient target-oriented measures, indicate specific state-supported measures, clear and measurable evaluation criteria (primary and planned values), as well as appoint responsible implementers of specific measures (conclusion 1.1);
  - 1.2. it is necessary to include the measures of state-supported breeding programs or plans, as well as the values of evaluation criteria into the strategic operation plans of the Ministry (conclusion 1.1).
2. Seeking for more efficient organisation of the farmed animal productivity control, it is necessary to:

<sup>19</sup> Public audit report of 31-12-2013 on the Management of Information Resources of the Ministry of Agriculture, No. VA-P-90-1-25.

- 2.1. define and implement measures in order to encourage economic entities to implement productivity control, develop a training system and implement regular training for economic entities regarding the application of the dairy cattle control methods B and C.
- 2.2. determine specific measures for promoting the implementation of new productivity control technology (conclusion 4.2);
- 2.3. differentiate productivity control costs, according to the possibilities of the farm with a cattle management system to make an automatic transfer of the productivity control data to animal breeding information systems (conclusion 4.3).
3. In order to create conditions for preserving endangered national animal breeds, it is necessary to:
  - 3.1. develop clear criteria for including a breed into the list of protected breeds of the national gene pool of farmed animals (conclusion 2.1);
  - 3.2. take measures to ensure the accumulation and monitoring of all data of animals included into the list of the national genetic resources of protected farmed animals (conclusion 2.2);
  - 3.3. take measures to ensure the conservation and restoration of all breeds included into the list of the national genetic resources of protected farmed animals (conclusion 2.2);

#### **For the State Animal Breeding Supervision Service under the Ministry of Agriculture**

4. Seeking for more effective implementation of the state animal breeding supervision, it is necessary to reduce the administrative burden on the economic entities:
  - 4.1. to approve the methodological recommendations to prepare selective programs and indicate the essential aspects of their content (conclusion 1.2);
  - 4.2. to determine the accumulation of detailed information about controlled economic entities in a specific region and the results of inspections (conclusion 5.2);
  - 4.3. to plan risk assessments and control procedures of the entities based on the analysis of the accumulated data (conclusion 5.2);
  - 4.4. improve cooperation with other control institutions (the State Food and Veterinary Service, the National Paying Agency), by coordinating the supervision of the entities (exchanging monitoring and control data on the operation of the entities, etc.) (conclusion 5.1);
  - 4.5. specify the legislation related to visiting farms for other purposes than monitoring: to define the criteria for visiting economic entities for other purposes than monitoring (consultation, etc.) and define the procedure of planning such visits (conclusion 5.3);
  - 4.6. To define the performance of feedback control in the groups of controlled entities according to the significance of infringements. (conclusion 5.4).

The recommendation implementation plan is provided in the appendix No. 16.