

EXPLANATORY MEMORANDUM TO

The Beef and Pig Carcase Classification Regulations (Northern Ireland) 2010
S.R. 2010 No. 231

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Department of Agriculture and Rural Development.
- 1.2 The Statutory Rule (SR) is made in exercise of the powers conferred on it by section 2(2) of the European Communities Act 1972 and is subject to the negative resolution procedure.
- 1.3 The Rule complies with the 21 day rule and will come into operation on 6th August 2010.

2. Purpose

- 2.1 The new SR will revoke and remake the provisions of the Pig Carcase (Grading) Regulations (Northern Ireland) 1994 (S.R. 1994 No. 384) and the Beef Carcase (Classification) Regulations (Northern Ireland) 2005 (S.R. 2005 No. 28). The Rule will also enforce new EU provisions on beef and pig carcase classification and associated price reporting contained in Council Regulation (EC) No. 1234/2007 and Commission Regulation (EC) No. 1249/2008. However, the new EU rules will have no impact as the sector is already carrying out the requirements.

3. Background

- 3.1 The European Commission has consolidated legislation governing agricultural commodity markets into a single common organisation of the markets under Council Regulation (EC) No. 1234/2007 (the Single CMO Regulation). In the meat sector this now incorporates three earlier regulations setting rules on the classification of and price reporting on beef (EC Regulation 1186/90), pig (EC Regulation 3220/84) and sheep (EC Regulation 2137/92) carcasses. New Commission implementing legislation was adopted from 1 January 2009 combining detailed rules governing the three sectors into a single Regulation (Commission Regulation (EC) No. 1249/2008).
- 3.2 The EU rules regarding classification of sheep carcasses are voluntary and have not been adopted at this time by the UK. Hence this SR relates to the classification of beef and pig carcasses only.
- 3.3 Previously, separate SRs had been made relating to the classification of beef and pig carcasses. These have now been brought together in one SR which represents a simplification and consolidation of the existing legislation.

4. Consultation

- 4.1 The consultation on implementation of the Beef and Pig Carcase Classification Regulations (Northern Ireland) 2010 ran from February to March 2010.

5 Equality Impact

- 5.1 In accordance with the Department's obligations under Section 75 of the Northern Ireland Act 1998, the equality implications of the Rule have been assessed. The Department considers that the Rule will not result in any equality differentials amongst Section 75 groups.

6. Regulatory Impact

- 6.1 A Regulatory Impact has been produced and is attached to this memorandum. However, the Regulations have no impact on the costs of business.

7. Financial Implications

- 7.1 The Rule does not have any financial implications for the Department or stakeholders.

8. Section 24 of the Northern Ireland Act 1998

- 8.1 The Rule deals with beef and pig carcase classification and associated price reporting issues and does not have any human rights implications, nor is it incompatible with EU law. The Rule is therefore deemed to comply with the requirements of Section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1 The Rule makes provision for the enforcement of EU controls in relation to beef and pig carcase classification and price reporting.

10. Parity or Replicatory Measure

- 10.1 England already has legislation in place and similar legislation will be introduced in Scotland and Wales.

11. Guidance

- 11.1 A detailed guidance note for the industry explaining how the new EU provisions on beef and pig carcase classification will operate will be provided by the Department. It will be placed on the Department's website as the Department is responsible for the implementation and enforcement of the carcase classification rules.

12. Contact:

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Regulatory Impact Assessment

1. Title of the regulatory proposal

1.1 The Beef and Pig Carcase Classification Regulations (NI) 2010.

2. Purpose and intended effect

2.1.1 These Regulations will update and streamline the current domestic legislation with references to the single common organisation of the markets regulation, Council Regulation (EC) No. 1234/2007 (the Single CMO Regulation). New EU Commission legislation has also been adopted from 1 January 2009 which combines the classification and price reporting of beef, sheep and pig carcasses across the EU into a single Regulation.

2.2 Background

2.2.1 The consolidation of a wide spectrum of agricultural commodity regulations into the Single CMO Regulation is now being completed through a series of Commission implementing regulations. The provisions of the Single CMO Regulation are directly applicable in all Member States and therefore require specific Statutory Rules (SRs) in the north of Ireland to provide for domestic enforcement.

2.2.2 Three Council Regulations governing the classification and price reporting of beef (Regulation 1186/90) sheep (Regulation 2137/92) and pig carcasses (Regulation 3220/84) across the EU have been consolidated into the Single CMO Regulation. New EU Commission legislation has also been adopted from 1 January 2009 incorporating the detailed rules governing the three sectors into a Single Regulation (Commission Regulation (EC) No.1249/2008). Beef and pig classification and deadweight price reporting continue to be compulsory for Member States but these requirements remain optional for sheep.

2.2.3 A number of textual amendments will also need to be included in the new domestic legislation, The Beef and Pig Carcase Classification Regulations (NI) 2010 will revoke and replace :

- The Beef Carcase(Classification) Regulations (NI) 2005
- The Pig Carcase (Grading) Regulations (NI) 1994
- The Pig Carcase (Grading) (Amendment) Regulations (NI) 2006
- The Pig Carcase (Grading) (Amendment) Regulations (NI) 2007

2.2.4 The consolidation of the existing SRs into one represents a useful and timely simplification and updating of the domestic legislation. The changes are

expected to be cost neutral to the industry. Defra, the Scottish Government and the Welsh Assembly Government are responsible for enforcing the EU Regulations in their respective jurisdictions and will be making similar domestic legislation.

3. Options

3.1 When EU Council or Commission Regulations are agreed, Member States are obliged to transpose them into Member State law. The transposition should ensure that the necessary framework is provided to achieve full compliance with the Regulations. The compelling argument is therefore for option 2 below. However, for the sake of balance this RIA also considers the possibility of a “do nothing” option.

- Option 1 Do nothing i.e. do not introduce the Beef and Pig Carcase Classification Regulations (NI) 2010. This would mean that the Single CMO regulation could not be applied to the north of Ireland because the necessary legal powers would not be available.
- Option 2 Ensure that the legal framework for full compliance is in place i.e. adopt the SR which will ensure that the Department as the competent authority in the north of Ireland, can fulfil the obligation under EU law.

4. Benefits

4.1 Option 1 – Do nothing

4.1.1 There are no benefits. EU regulations are directly applicable in Member States and non-compliance or under-implementation would be in breach of Community obligations. Failure to apply the Regulations could lead to infraction proceedings or other challenges by the Commission against Britain and the north of Ireland.

4.2 Option 2 – Adopt the SR

4.2.1 This is the only realistic option and will ensure that DARD can fulfil its obligations under EU law.

5. Business Sector Affected

5.1 Those in the EU involved in the production and slaughter of bovine animals and pigs (i.e. farmers and slaughterhouses). Most of the implementing regulation does not represent any significant change from what was previously in place.

6. Other Impact Assessments

6.1 The SR will enable DARD to fulfil its legal commitments in relation to the implementation of European law. There are no implications in respect of equality and fairness.

6.2 The SR will not have any impact on economic, social or environmental sustainability issues.

7. Costs

7.1 Compliance Costs

Option 1 – Do Nothing

7.1.1 Failure by DARD to implement these Regulations may incur infraction proceedings and could lead to costs for Britain and the north of Ireland.

Option 2 – Adopt the SR

7.1.2 The SR will not impose any additional cost burden on the industry and present an opportunity to simplify and update current domestic legislation in line with the Single CMO.

8. Enforcement and Sanctions

8.1 The Department's Quality Assurance Branch will continue in their current enforcement role.

8.2 The proposed Beef and Pig Carcase Classification Regulations (NI) 2010 include some changes on enforcement and offences as follows:

Enforcement Notices.

This provision provides for the issue of a written notice if an authorised officer believes that an offence has been committed under the Regulations.

Offences.

The draft Regulations list the range of offences. They provide for those committing an offence to be subject to prosecution which would result in a fine or term of imprisonment or both, depending on the offence.

9. Monitoring and Review

9.1 The effectiveness of the SR will be reviewed in 2012.

10. Consultation

10.1 This RIA will form part of the DARD's formal consultation process with key stakeholders on the implications of the SR.

11. Summary and Recommendations

11.1 The EU rules on the implementation of the Community scales for the classification of beef, pig carcasses and the reporting of prices thereof are

directly applicable and came into effect from 1 January 2009. It is proposed that the Department will apply certain derogations available to it in the EU implementing legislation. Under these proposals, small abattoirs, i.e. those that slaughter not more than 75 adult bovine carcasses per week and not more than 200 pig carcasses per week, would be exempt from compulsory classification scales unless they opted to implement them. It is also proposed that such small-scale operators will not be required to keep records unless they opt to implement the Community classification scale.

11.2 In the beef sector compulsory price reporting shall not apply to abattoirs that kill less than 20,000 cattle per year or send for slaughter up to 10,000 cattle per year, with the exception of those who are designated by the Department to do so to make up the required regional kill numbers for price reporting in the regulation.

11.3 In view of the above, it is recommended that the SR is introduced into north of Ireland law.

12. Declaration

12.1 I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.

Signed: Michelle Gildernew

Date: 22 January 2010

Michelle Gildernew, MP, MLA, Department of Agriculture and Rural Development

13. Contact point

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