

POLICY NOTE

THE SEED (FEES) (SCOTLAND) REGULATIONS 2014

S.S.I. 2014/ 167

Introduction

1. The above instrument was made in exercise of the powers conferred by sections 16(1), (1A), (3)(i), (5)(a), (5A) and 36 of the Plant Varieties and Seeds Act 1964⁽¹⁾ (“the Act”) and all other enabling powers. The instrument is subject to negative resolution procedure.

Consultation

2. Section 16(1) of the Act requires the Scottish Ministers to consult with representatives of such interests as appear to them to be appropriate.

3. As well as consulting with key stakeholders (NFU Scotland, AIC Scotland, and Scottish Seed Trade Association etc.), and over 150⁺ interested parties, a copy of the consultation was placed on the Scottish Government website. One response was received from the NFU Scotland, which will shortly be placed on the SG website.

Policy objectives

5. The purpose of this instrument is to update the provisions for the charging of seed certification (in relation to seed marketing) and associated licensed activities and it revokes and replaces the Seeds (Fees) (Scotland) Regulations 2011 (“the 2011 Regulations”).

6. The Regulations prescribe fees in respect of matters arising under the various Seed Marketing Regulations, namely: the Cereal Seed (Scotland) Regulations 2005 (S.S.I. 2005/328), the Fodder Plant Seed (Scotland) Regulations 2005 (S.S.I. 2005/329), The Oil and Fibre Plant Seed (Scotland) Regulations 2004 (S.S.I. 2004/317) the Beet Seed (Scotland) (N^o 2) Regulations 2010 (S.S.I. 2010/148), the Vegetable Seeds Regulations 1993 (S.I. 1993/2008), and also under the Seed(Registration, Licensing and Enforcement) (Scotland) Regulations 2006 (S.S.I.2006/313), (all as amended).

7. Seed certification is a European Union requirement to ensure that farmers and growers receive seeds of a known minimum quality. This is achieved in Scotland through marketing regulations, which ensure that seeds of the main agricultural and vegetable species can be marketed only after being examined and certified as meeting specified minimum EU standards and as being derived from crops which have also met specific EU standards. The Scottish Government carry out technical and administrative work associated with seed

⁽¹⁾ 1964 c.14. Section 16 was amended by the European Communities Act 1972 (c.68), section 4(1) and Schedule 4, paragraph 5(1) and (2), by the Agriculture Act 1986 (c.49), section 2 (“the 1986 Act”) and by S.I. 1977/1112. See section 38(1) of the 1986 Act, for the definition of “the Minister”. The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c.46).

certification, as well as providing official supervision and a number of training courses and exams.

Purpose of the Seed Fees (Scotland) Regulations 2014

8. A fundamental principle of the Scottish Government accounting procedure and practice is that “each statutory service should have its own financial objective, have separate costing and be charged for” and “the financial objective of a statutory service should normally be full cost recovery”.

9. The fees are reviewed annually, to ensure that if any changes are required, they are implemented that year and not allowed to accumulate over a number of years, resulting in large increases.

10. The service providers within Scottish Government have endeavoured made a number of cost efficiency savings, which resulted in no fee increases in 2012 or 2013. However, it has not been possible this time round, as external pressures of increasing fuel prices, domestic services and consumables continue to rise. To allow for full cost recovery, 26 of the 40 fees are required to be increased by 0.5 – 16.7%.

11. In addition to introducing some increases in fees, the Seed (Fees) (Scotland) Regulations 2014, moves the ‘fee refund for application withdrawal’ and the ‘reduced initial fee’, introduced in 2011, from the regulations into Schedule 1, as it is the Schedules that the reader (industry) uses.

Financial effects

12. The fees for services provided by Scottish Government account for less than 2% of the total cost that the seed producer pays for the final stages of cleaning and bagging seed prior to sale. The rise on average would be in the range £5.00 to £11.50 per tonne of seed, an increase overall of 0.5%. An arable farmer would face an increase in the price of a tonne for seed purchased of between 0.25% - 1% which means an additional 17 - 66 pence per hectare of the seed sown. It is therefore, considered that the proposed increases will have a minimum effect on overall costs.

13. This is a complex issue and has been comprehensively addressed in the Business Regulatory Impact Assessment.

Timing

14. Regulations come into force on 18 August 2014