POLICY NOTE

THE QUALITY MEAT SCOTLAND (AMENDMENT) ORDER 2023

SSI 2023/378

The above instrument was made in exercise of the powers conferred by section 87 of the Natural Environment and Rural Communities Act 2006(**1**), and all other powers enabling them to do so.

Summary Box

The purpose of the instrument is to increase the maximum levy rates in the Quality Meat Scotland Order 2008, which will enable Quality Meat Scotland to adjust the levies for the slaughter or export of cattle, sheep, and pigs. The levy for sheep is currently at the maximum levy rate that is allowed for in the 2008 Order.

Policy Objectives

The Quality Meat Scotland Order 2008 sets a ceiling of maximum levy rates that can be charged on animals presented for slaughter in Scotland. The levy comprises two elements: a producer levy paid by the owner of the animal when it is presented to the market for slaughter and a processor levy which is paid by the owner of the animal at the time it is slaughtered. The levy is charged for all three main red meat species i.e., cattle (plus calves), sheep and pigs.

Quality Meat Scotland (QMS) conduct a number of functions for the benefit of the red meat sector in Scotland, including the marketing of Scotch Beef, Scotch Lamb, and Specially Selected Pork, with the levy money forming a crucial part of their income.

Its purposes are:

- increasing efficiency or productivity in the red meat sector.
- improving marketing in the red meat sector.
- developing or improving services that the red meat sector provides or could provide to the community.
- improving the ways in which the red meat sector contributes to sustainable development.

Levy income is fundamental to the running of QMS. The rates are set annually by them, and subject to Ministerial approval, they have the ability to increase charges if this was deemed to be appropriate in any one financial year, but any increase must be within the ceiling of the maximum rates set by the 2008 Order.

(**1**) 2006 c. 16.

At this time, the rate of levy collected for sheep is at the maximum ceiling allowed in the Order, and as such, we are looking to future-proof the QMS Order for approximately a 10-year period. This will give QMS the ability to increase levy rates following any consultation they carry out with the industry and upon approval of the Cabinet Secretary.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

A four-week target consultation was carried out with the consultation being sent to nine relevant organisations. We received two responses.

The consultation explained that a change to the levy rates in the Order does not automatically assume a change to the payable rates, and that the changes made were to future-proof the Order for at least the next 10 years.

Of the two responses one of them was positive and recognised that the change to the Order is about the *ability* to raise the rates and stated that they broadly supported the suggested amendment of maximum levy rates.

The second response raised some concerns and they commented:

"…we are not opposed in principle to a change in the maximum levy rate … we need to be convinced of the benefit that levy spend gives the industry. We believe that this is not the time to change the maximum levy rates. This consultation is taking place before there has been detailed engagement on the QMS strategy and a decision on maximum levy rates should wait until after that engagement has been completed."

In addition, they also stated, "*a change in the levy ceiling within the Order must not be taken by QMS as industry agreement to an increase in the levy rates paid."*

Whilst taking the views of the concerns raised by the second respondent into consideration, the reasoning for the change to the maximum ceiling rates is in officials' opinion, enough justification to proceed with making the requested changes to the Order, which is solely about raising the ceiling, not the rates.

Following the closing date, officials contacted both respondents. For the second respondent, officials followed up directly by phone call where the respondent was understanding that the Order change is 'technical' in nature.

Impact Assessments

No impact assessments have been carried out for this SSI due to it not having any impact on other issues.

Financial Effects

The Cabinet Secretary for Rural Affairs, Land Reform and Islands confirms that no BRIA is necessary as the instrument has no direct financial effects on the Scottish Government, local government, or on business.

Scottish Government
Directorate for Agriculture and Rural Economy
24 October 2023