

Consultation on Fees for Seed Testing, Seed Certification and Associated Seed Functions

12 February to 6 May 2020

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Part 1: About this Consultation

Purpose

The purpose of this consultation is to seek views from individuals and companies including Professional Operators (seed merchants, seed processors, seed packers), Licensed Crop Inspectors, Licensed Seed Samplers, Licensed Seed Testing Stations (LSTS), farmers and interested members of the public on the Scottish Government's proposal to:

- Amend fees for seed certification, seed testing & associated seed functions to allow full cost recovery

We are inviting responses to this consultation by 6 May 2020. Please respond to this consultation online at: <https://consult.gov.scot/agriculture-and-rural-communities/fees-for-seed-testing-certification/>

Any amendments to the fees will become effective from 1 July 2020.

Background

The Scottish Government has five Scottish Statutory instruments which legislate for the marketing of agricultural seed crops:

- The Beet Seed (Scotland) (No 2) Regulations 2010
- The Cereal Seed (Scotland) Regulations 2005
- The Fodder Plant Seed (Scotland) Regulations 2005
- The Oil & Fibre Plant Seed (Scotland) Regulations 2004
- The Vegetable Seed Regulations 1993

Within Scottish Government, SASA and the Rural Payments Inspection Directorate (RPID) have responsibility for carrying out the technical and administrative work associated with seed certification including field inspection of crops, testing of seed and the training and examination of people who undertake these activities.

Scottish Government's policy objective is that the fees set for public services should be full cost recovery, to avoid unnecessary public expenditure. SASA are the Seed Certifying Authority for Scotland and they review the fees for seed testing, seed certification and associated functions annually to ensure that costs incurred, are met by those businesses which benefit directly from the services provided.

Scope of Consultation

The proposals set out in this consultation apply only to Scotland.

Costs and Fees

Seed Lot Fees – These fees relate to issuing an Official Certificate or a Breeders Confirmation in respect of a seed lot, certifying the seed to be -

- (1) of a Multiplication category
- (2) of a final generation category

The specific nature of these costs entail documentation processing relating to seed lot applications, preparation and the issuing of official certificates along with invoicing costs. The total costs incurred for these services operated by the Certifying Authority, Scotland was £74,515.14, compared to the total cost recovered of £70,577.60. This resulted in a 94.7% recovery.

Crop Entry Costs – This includes fees per hectare for entering a seed crop into the certification scheme in Scotland, late application fees applicable in addition to crop entry fees.

- (1) Pre basic or Basic seed
- (2) Certified Seed, Certified Seed of 1st Generation, 2nd Generation or 3rd Generation.

The costing for this area includes documentation processing relating to crop entries, preparation and issue of inspection results, invoicing and Certification Plot Control costs. The total expenditure was £102,949.32, while the total income received was £98,515.19, resulting in a recovery of 95.7%.

As a result of this shortfall and keeping in line with the Scottish Governments policy of achieving full cost recovery, fees for seed certification, it is proposed to increase in fees by 5%.

Seed Testing Fees - The Official Seed Testing Station (OSTS) is the principle centre for seed testing and seed quality information in Scotland. The OSTs Scotland offers a wide range of laboratory tests that provide practical and reliable information for the seed industry:

- (1) Certification tests (analytical purity, determination of other seeds by number, germination/STZ, moisture and disease tests if required);
- (2) HVS Verification;
- (3) Testing of seed for non-statutory purposes;
- (4) Training and examination of Seed Analysts and Laboratory Managers and;
- (5) Provision of International Certificates.

In a wet harvest, as in 2019, seed quality can be lowered (e.g. poor germination and higher disease). These samples are more difficult to assess and take longer for seed analysts to complete, therefore increasing the amount of staff time taken to conclude

these tests. To meet the Scottish Government's objective of achieving full cost recovery for seed testing fees, it is recommended that an increase of 8% would be required.

Licensed Seed Testing Station - The licence fee is levied annually and covers the cost of the official supervision provided by the OSTs to undertake the following functions:

- (1) An inspection of the laboratory, the storage areas and equipment to ensure everything meets a satisfactory level for seed testing;
- (2) The Analyst in Charge of the LSTS is suitably qualified;
- (3) Other analysts have passed official examinations and maintain their competency;
- (4) Official records are correctly maintained.

The OSTs, Scotland introduced a new supervision method for LSTS's in 2018. Supervisory visits now take place once a year rather than bi-annually, however the proportion of LSTS tested certification samples required for retesting and checking by the OSTs are requested at more frequent intervals. (fortnightly.) These efficiencies still allow for effective monitoring, but at a reduced cost. As a result of these new procedures and the savings made, it is recommended that the reduced overheads are passed on to the LSTS's and a 9% reduction in the fee is proposed (reduced to £1547) to prevent any over recovery of fees by the Scottish Government.

Options for consideration

Option 1: Maintain the status quo – all fees remain at current level

This option would mean no fee increase, but this is likely to leave the Scottish taxpayer having to subsidise the seed industry using these services. As a result, this would not comply with the Scottish Government approach to setting charges for public services. The Scottish Government would not achieve full cost recovery and would incur a deficit for the services provided to the seed industry.

Option 2:

Full cost recovery for all services provided to the seed industry by the Scottish Government. This would result in:

- An increase for seed certification and associated licensed activities fees by 5%;
- An increase in all seed testing fees by 8%;
- A reduction of Licensed Seed Testing Stations fee by 9%;
- To maintain all costs associated with Seed Testing Courses at present level.

Option 2 is the Scottish Government's preference, as it allows for full cost recovery of all services provided.

The Scottish Government welcomes your views on the above options.

A Partial Business and Regulatory Impact Assessment (BRIA)

A Partial BRIA has been attached providing some detail on the impact the expected costs may be for the certification of a cereal and / or a non-cereal seed lot after the 1 July 2020.

Duration

The consultation will run for a period of 12 weeks.

Start date: 12 February 2020

End date: 6 May 2020

Responding to the Consultation

We are inviting responses to this consultation by 6 May 2020.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). Access and respond to this consultation online at <https://consult.gov.scot/agriculture-and-rural-communities/fees-for-seed-testing-certification/>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 6 May 2020.

If you are unable to respond using our consultation hub, please complete the Respondent Information Form to:

Graham Hall
SASA
Roddinglaw Road
Edinburgh
EH12 9FJ

Handling your response

If you respond using the consultation hub, you will be directed to the 'About You' page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy:
<https://beta.gov.scot/privacy/>

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or at seeds@sasa.gov.scot.

Scottish Government consultation process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.gov.scot>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body

What happens next?

Following the closing date, all responses will be evaluated and considered along with any other available evidence. This information will be used to advise Scottish Ministers of the views of stakeholders affected by the proposal.

Part II- Background to Services Provided by Scottish Government and Licensed Individuals/Companies

Introduction

Crop certification schemes exist to protect farmers buying seed that has no identity. The scheme ensures that the product they receive meets certain quality standards. The current UK Cereal Scheme incorporates several quality control mechanisms, including official testing to ensure seed meets prescribed standards for germination, freedom from weeds, has varietal identity and purity, and has undergone a crop inspection.

SASA are a division of the Agriculture and Rural Economy Directorate, within Scottish Government, act on behalf of Scottish Ministers as the Certifying Authority for Scotland. Responsible for the certification of beet, cereal, fodder, oil & fibre and vegetable seed, they are situated at Roddinglaw, just to the west of Edinburgh.

All agricultural seeds subject to the regulations (except vegetables, which can be sold as Standard Seed) have to be officially certified and can only be sold in labelled containers which preserve the integrity of the seed inside. The certification process requires that the seed be tested to ensure that it meets all the standards that apply to it. Some of these tests are made on the crop and some are made on the harvested seed. The majority of crops certified in Scotland are cereals. Table 1 below provides the most popular species and number of crop applications in Scotland over the last 3 years, while Table 2 shows other application over on average over a 3 year period.

Table 1

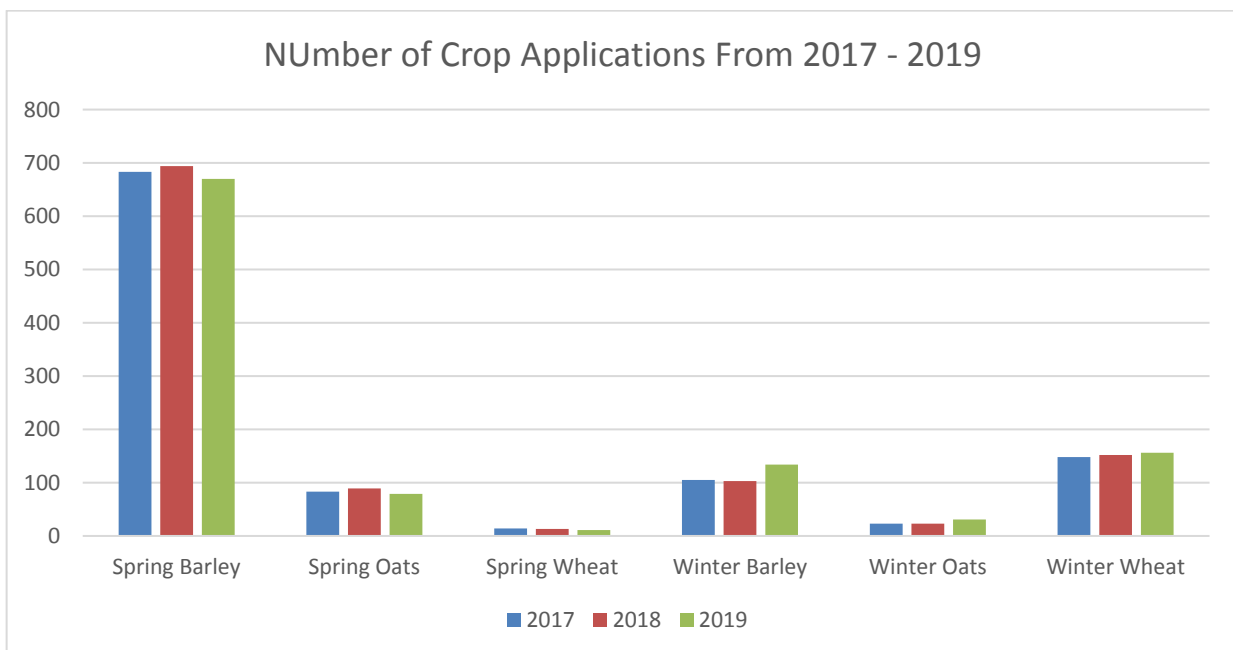


Table 2

Species	Average number of Crop Application per year since 2017				
	Swede Rape	Swede	Field Pea	Field Bean	Winter Rye
Total	2	1	3	7	1

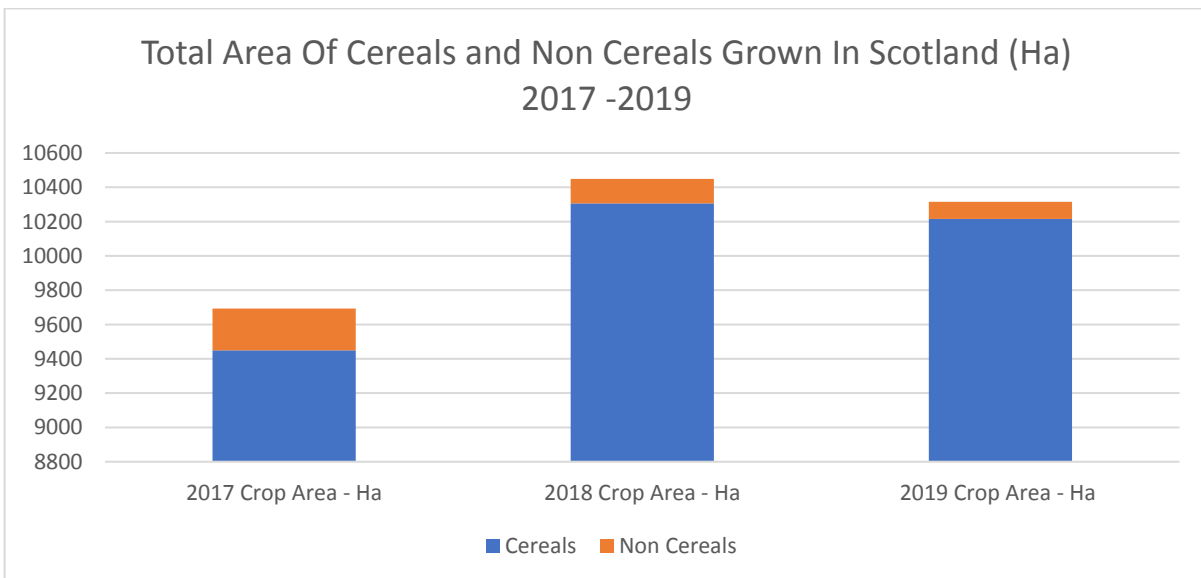
Seed Certification

Scottish Government has overall responsibility for seed certification in Scotland, but there are various functions within the process which can be carried out either by Government Officials or licensed individuals or companies. Scottish Government will license individuals to undertake crop inspections, seed sampling and/or seed testing if that person can demonstrate their knowledge and expertise. In addition Scottish Government will supervise and check at least 5% of the work carried out under licence. It is mandatory that those who wish to market, process, package or test seed must have the necessary qualified personnel, equipment and premises to carry out this work.

Certified Seed in Scotland in 2018/2019

In the 2018/19 season 53,828 tonnes of cereals were certified in Scotland. There has been a drop of approximately 4000 tonnes on the previous year. Table 2 Below shows the total area of Crops grown in Scotland (Ha) over the last 3 years.

Table 3



More information on seed certification at SASA can be found at: <http://www.sasa.gov.uk/seed-testing-certification>

Seed Testing

The OSTs Scotland and five LSTS undertake the testing of seed intended for certification. As well as seed testing, the OSTs Scotland provides supervision of the licensed seed testing stations, and provide the training and examination of new and existing seed Analysts & Laboratory Managers. In this way, the high quality of Scottish certified seed is maintained.

Licensed Seed Testing Stations (LSTS)

There are currently 5 Licensed Seed Testing Stations (LSTS) in Scotland. The staff undertaking the testing are all trained and examined at a UK level. Individuals can sit a number of seed divisions, which cover various agricultural and horticultural species. The OSTs check the proficiency of the individual seed analysts throughout the year using proficiency tests and check testing. A minimum of 5% of seed will be selected at random, tested by the OSTs, and the LSTS & OSTs results compared.

More details for the Seed Testing Division can be found at:

<http://www.sasa.gov.uk/seed-testing-certification/official-seed-testing-station-osts>

MySeeds

Since the introduction of MySeeds the uptake in those submitting application through the electronic system continues to grow in both seed crop and seed lot applications as shown in Table 3 below.

Table 4

Cereal Crop application 2017 -2019

Crop Application			
Applied for:	Paper forms	MySeeds	Total
2017	303	756	1059
2018	89	985	1074
2019	87	997	1084

Cereal Seed Lot applications 2017 -2019

Seed Lot Application			
Applied for:	Paper forms	MySeeds	Total
2017	153	1931	2084
2018	95	2068	2163
2019	68	1958	2026

If you would like to find out more about MySeeds and the possible savings available using the online system, please contact seeds@sasa.gov.scot.

Licensed Professional Operators (Seed Merchants, Seed Processors and or Seed Packers)

Once a company or individual licenced with the Certifying Authority as a seed merchant, seed processor and / or seed packer, Scottish Government must ensure that the seed sold, processed or packaged by them:

- 'is what it says it is, on the label' – certified seed of a registered variety, that meets standards listed in Schedule 4 of each of the Scottish marketing regulations;
- is correctly packaged, labelled and sealed and;
- has the appropriate documentation that forms an audit trail.

RPID staff must routinely visit registered premises where seed is being stored in a warehouse or being processed/packaged, to ensure compliance with the licencing and marketing regulations. Where the individual / company acts solely as a seed merchant, buying and selling, but is never in physical possession of the seed, only a check of records is required to satisfy the licencing conditions.

The Scottish register of Licensed Professional Operators can be found at:

<http://www.sasa.gov.uk/document-library/public-register-seeds-merchants-processors-packers>

Courses and Exams

In order to undertake any of the above licensed functions, Scottish Government provide training and refresher courses at SASA. Courses and exams are run on an annual basis, with licensed crop inspectors and seed samplers returning every five years to be re-examined.

Further information on seed courses and exams provided at SASA can be found at -

<http://www.sasa.gov.uk/content/training-courses>

Consultation on Fees for Seed Testing, Seed Certification and Associated Seed Functions

RESPONDENT INFORMATION FORM

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:
<https://beta.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
 No

**FEES FOR MATTERS RELATING TO THE SEED MARKETING REGULATIONS
SCHEDULE 1**

(1) Matter	(2) Current Fee £	(3) Proposed Fee £	(4) Percentage Change
A. Initial fees			
(i) Initial fee per hectare or part thereof for crops intended to produce:-			
(a) Pre-Basic Seed or Basic Seed –			
Online Applications	28.12	26.71	-5.00%
Other Applications	31.03	31.03	0.00%
(b) Certified Seed, Certified Seed of the First Generation, Certified Seed of the Second Generation or Certified Seed of the Third Generation.			
Online applications	4.05	3.85	-5.00%
Other applications	4.46	4.46	0.00%
ii) Reduced initial fee per hectare or part thereof for applications referred to in sub-paragraph (i)(a) or (b) which are withdrawn before arrangements have been made for the purposes of an official examination.	2.88	2.88	0.00%
(iii) Late application fee per crop payable in addition to initial fee under sub-paragraph (i)(a) or (b) where application is not made by the date for enabling arrangements to be made for an official examination of a crop grown to produce seed of a species to which any instrument comprising the Seed Marketing Regulations applies	30.41	30.41	0.00%
B. Crop inspection fees			
(i) Fee for the official examination of crops intended to produce Pre-Basic Seed, Basic Seed, Certified Seed, Certified Seed of the First Generation, Certified Seed of the Second Generation and Certified Seed of the Third Generation per hectare or part thereof examined.	19.71	21.29	8.00%
(ii) Fee for the official field inspection of a hybrid of swede rape, per hectare or part thereof examined.	59.14	63.87	8.00%
(iii) Fee for the further official examination of crops intended to produce Pre-Basic Seed, Basic Seed, Certified Seed, Certified Seed of the First Generation, Certified Seed of the Second Generation or Certified Seed of the Third Generation, per hectare or part thereof examined, except:-	19.71	21.29	8.00%

(1) Matter	(2) Current Fee £	(3) Proposed Fee £	(4) Percentage Change
(a) Further official examination of crops for wild oats, per hectare or part thereof examined	9.07	9.80	8.00%
(b) Further official examination of crops in respect of isolation distance, per hectare or part thereof examined	3.56	3.84	8.00%
(c) Further official examination of crops which have been lodged, per hectare or part thereof examined	8.02	8.66	8.00%
(iv) Fee for authentication of seed lot sown, (where this has not been carried out at crop inspection), per crop	8.02	8.66	8.00%
(v) Fee for the official examination of crops where there has been an official post control the results of which have been unsatisfactory, per hectare or part thereof examined	19.71	21.29	8.00%
(vi) Fee payable in addition to fee under sub-paragraph (i) to (v) above where arrangements have been made for an official examination to be carried out by a licensed crop inspector and the applicant subsequently requests that the examination be carried out instead by the Scottish Ministers.	30.41	30.41	0.00%
C. Seed lot fee			
Fee for the issuing an official certificate or a breeder's confirmation (other than in the circumstances described under paragraph D below) in respect of a seed lot certifying the seed lot to be:-			
(i) of a multiplication category online application	80.75	80.75	0.00%
Other applications	89.13	93.59	5.00%
(ii) of a final generation category - on line applications	31.35	31.35	0.00%
Other applications	34.60	36.33	5.00%
D. Seed lot re-entry fee			
Fee for issuing an official certificate or a breeder's confirmation in respect of a seed lot where, following an application for certification of the seed to be within one particular category, that application has been withdrawn and a new application has been submitted for certification of the seed within another category, as follows:			

(1) Matter	(2) Current Fee £	(3) Proposed Fee £	(4) Percentage Change
(i) Pre-Basic Seed, Basic Seed, Certified Seed, Certified Seed of the First Generation	36.70	38.53	5.00%
(ii) Certified Seed of the Second Generation or Certified Seed of the Third Generation	18.29	19.20	5.00%
E. Sampling fees			
Fee for sampling or re sampling of a Seed lot for the purposes of an official examination, and for sampling or re-sampling imported Seed intended for further multiplication	52.55	56.75	8.00%
F. Official label fees			
Fee per seed lot for the issue and printing of a:-			
(i) Tear resistant label for breeder's confirmation seed, Pre-Basic Seed or seed for export	42.47	45.87	8.00%
(ii) Self-adhesive label for breeder's confirmation seed, Pre-Basic Seed or seed for export	29.36	31.71	8.00%
G. OECD Certificate			
Fee per certificate for issuing an Organisation for Economic Co-operation and Development (OECD) Certificate	26.21	28.31	8.00%
H. Higher Voluntary Standard (HVS)			
Fee per seed lot for verification that a seed lot meets the applicable Higher Voluntary Standards (HVS)	7.34	7.93	8.00%

**MATTERS ARISING UNDER THE SEEDS (LICENSING AND ENFORCEMENT)
(SCOTLAND) REGULATIONS 2020
SCHEDULE 2**

Matter	When Payable	Current Fee £	Proposed Fee £	Percentage Change
A. Representations by, and hearings of, a licensed professional seed operator, licensed crop inspector, licensed seed sampler or personnel pertaining to a licensed seed testing station				
(i) Fee for making written representations to the Scottish Ministers	On making representations	34.97	37.77	8%
(ii) Fee for being heard by a person appointed by the Scottish Ministers	On applying to be heard	69.99	75.59	8%
B. Licensed seed testing stations				
(i) Annual fee payable during the currency of the licence (or a proportion thereof in respect of a part of a year)	Within one month of demand by or on behalf of the Scottish Ministers, annually in advance	1699.50	1547.00	-9%
(ii) Fee payable by a licensed seed testing station in respect of an official examination of seed	Within one month of demand by or on behalf of the Scottish Ministers, annually in arrears	7.63	8.24	8%
C. Cereal Crop Inspection Courses and Examination				
Fee for:-	Fee payable within one month of demand by or on behalf of the Scottish Ministers			
(i) Cereal Crop inspection course		647.99	699.83	8%
(ii) Initial examination and compulsory re-test				
(a) all 3 species groups		101.39	109.50	8%
(b) 2 species		74.65	80.62	8%
(c) 1 species only		37.33	40.32	8%
D. Seed Sampling Courses and Examination				
Fee for:-	Fee payable within one month of demand by or on behalf of the Scottish Ministers			
(i) Tuition and examination for seed samplers licence (administrative and sampling elements)		435.14	469.95	8%
(ii) Tuition and examination for seed samplers licence (administrative element only)		130.54	140.98	8%

Matter	When Payable	Current Fee £	Proposed Fee £	Percentage Change
(iii) Re-examination fee for seed samplers license with sampling function enabled		38.06	41.10	8%
(iv) Re-examination fee for seed samplers license with sampling function not enabled		10.91	11.78	8%
E. Seed analyst courses and examination				
Fee for:—	Within one month of demand by or on behalf of the Scottish Ministers			
(i) Laboratory management course registration		1146.05	1146.05	No increase
(ii) Laboratory management course attendance and examination (per day or part thereof)		432.00	432.00	No increase
(iii) Analyst course registration		1896.81	1896.81	No increase
(iv) Analyst course registration – additional and retake divisions (per division)		184.55	184.55	No increase
(v) Analyst course attendance (per day or part thereof. Number of days depends on division)		432.00	432.00	No increase
(vi) Analyst course examination (per day or part thereof)	Analyst course examination (per day or part thereof)	432.00	432.00	No increase
(vii) Tetrazolium testing course attendance (per day or part thereof)	Tetrazolium testing course attendance (per day or part thereof)	446.68	446.68	No increase
(viii) Tetrazolium testing course examination (per day or part thereof)	Tetrazolium testing course examination (per day or part thereof)	446.68	446.68	No increase

FEES CHARGED BY THE OFFICIAL SEED TESTING STATION FOR SCOTLAND FOR SEED TESTING

CEREALS	Current Fee 2018 (£)		New Fee 2020 Increase 8% (£)	
	EU	HVS*	EU	HVS*
Fee for an official examination of seed for:				
Certification tests (analytical purity, determination of other seeds by number and germination).	60.50	75.50	65.34	81.54
Certification tests (analytical purity, determination of other seeds by number, germination and moisture content).	64.50	80.00	69.66	86.40
Certification tests (analytical purity, determination of other seeds by number and moisture content).	44.50	56.50	48.06	61.02
Certification by STZ				
Certification tests (analytical purity, determination of other seeds by number, 100 seed STZ).	61.50	76.50	66.42	82.62
Certification tests (analytical purity, determination of other seeds by number, 100 seed STZ and moisture content).	65.50	81.00	70.74	87.48
Certification tests (analytical purity, determination of other seeds by number, 100 seed STZ followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met).	85.00	100.00	91.80	108.00
Certification tests (analytical purity, determination of other seeds by number, 100 seed STZ followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met and moisture content).	89.00	104.50	96.12	112.86
Certification tests (analytical purity, determination of other seeds by number, 200 seed STZ).	81.00	99.00	87.48	106.92
Certification tests (analytical purity, determination of other seeds by number, 200 seed STZ and moisture content)	85.00	103.50	91.80	111.78
Certification tests (analytical purity, determination of other seeds by number, 200 seed STZ followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met).	104.00	122.00	112.32	131.76

CEREALS	Current Fee 2018 (£)		New Fee 2020 Increase 8% (£)	
	EU	HVS*	EU	HVS*
Certification tests (analytical purity, determination of other seeds by number, 200 seed STZ followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met and moisture content).	108.00	126.50	116.64	136.62
Certification tests (analytical purity, determination of other seeds by number, 400 seed STZ)	122.50	146.50	132.30	158.22
Certification tests (analytical purity, determination of other seeds by number, 400 seed STZ and moisture content).	126.00	151.00	136.08	163.08
Certification tests (analytical purity, determination of other seeds by number, 400 seed STZ followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met).	145.50	170.00	157.14	183.60
EU Certification tests (analytical purity, determination of other seeds by number, 400 seed STZ followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met and moisture content).	149.50	174.00	161.46	187.92
HVS Verification: A search of an EU certified sample for designated species to assess compliance with Higher Voluntary standards (HVS) standard for wheat, durum wheat, spelt wheat, barley and oats and red oat.	49.50		53.46	
Fee for individual or additional tests				
100 seed STZ test on a certification sample.	34.50	34.50	37.26	37.26
100 seed STZ test on a certification sample followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met.	58.00	58.00	62.64	62.64
200 seed STZ test on a certification sample.	66.00	66.00	71.28	71.28
200 seed STZ test on a certification sample followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met.	89.50	89.50	96.66	96.66
400 seed STZ test on a certification sample.	134.00	134.00	144.72	144.72

CEREALS	Current Fee 2018 (£)		New Fee 2020 Increase 8% (£)	
	EU	HVS*	EU	HVS*
400 seed STZ test on a certification sample followed by a germination test when the STZ result does not remove doubt as to whether the germination standard will be met.	143.00	143.00	154.44	154.44
An analytical purity test on a certification sample.	28.00	28.00	30.24	30.24
An analytical purity test and a moisture content test on a certification sample.	33.00	33.00	35.64	35.64
An additional 2kg seed search for wild oats on a certification sample	91.50	91.50	98.82	98.82
Fee for an official examination of certified seed for loose smut infection of wheat, durum wheat, spelt wheat and barley (per thousand embryos examined).	55.50	55.50	59.94	59.94
Moisture content test only on certification sample.	6.50	6.50	7.02	7.02
Germination test only on certification sample.	33.00	33.00	35.64	35.64
Fee for provision of an International Certificate**				
Orange International Certificate	17.50	17.50	18.90	18.90
Blue International Certificate	17.50	17.50	18.90	18.90

FODDER	Current Fee 2018 (£)		New Fee 2020 Increase 8% (£)	
	EU	HVS*	EU	HVS*
Fees for an official examination of seed for:-				
Analytical purity, germination and determination of other seeds by number of:				
(a) grasses, except timothy	112.00		120.96	
(b) timothy	83.00		89.64	
(c) large seeded legumes	64.50		69.66	
(d) small seeded legumes	78.00		84.24	
(e) brassicas	84.50		91.26	
Bitter Lupin Test.	48.00		51.84	
HVS Verification : Fee for a search for designated species to assess compliance with HVS standards for appropriate species	49.50		53.46	
Fee for provision of an International Certificate**				
Orange International Certificate	17.50		18.90	
Blue International Certificate	17.50		18.90	

OIL AND FIBRE	Current Fee 2018 (£)		New Fee 2020 Increase 8% (£)	
	EU	HVS*	EU	HVS*
Fees for an official examination of seed for:–				
Analytical purity, germination and determination of other seeds by number, of sunflower, linseed, flax, soya bean and hemp.	71.00		76.68	
Analytical purity, germination and determination of other seeds by number of Brassica species.	84.50		91.26	
Seed-borne Disease Tests				
Sunflowers for <i>Botrytis</i> spp.	65.00		70.20	
Flax and linseed for –				
(a) <i>Alternaria</i> spp.	53.50	}	57.78	
(b) <i>Phoma exigua</i> var. <i>linicola</i> (<i>Ascochyta linicola</i>)				
(c) <i>Colletotrichum lini</i>				
(d) <i>Fusarium</i> spp.				
(e) <i>Botrytis</i> spp.				
Soya bean for <i>Pseudomonas syringae</i> pv. <i>glycinea</i> spp. –				
(a) for one sub-sample test.	93.00		100.44	
(b) for five sub-sample tests.	310.50		335.34	
Soya bean for <i>Diaporthe phaselorum</i> spp.	58.00		62.64	
Fee for provision of an International Certificate**				
Orange International Certificate.	17.50		18.90	
Blue International Certificate.	17.50		18.90	

BEET SEEDS	Current Fee 2018 (£)		New Fee 2020 Increase 8% (£)	
	EU	HVS*	EU	HVS*
Fees for an official examination of seed for:–				
Analytical purity, germination and determination of other seeds by number.	74.50		80.46	
Includes: Number of seedlings germinating from a cluster in monogerm and precision seeds.				
Fee for provision of International Certificates**				
Orange International Certificate	17.50		18.90	
Blue International Certificate	17.50		18.90	

VEGETABLE SEEDS	Current Fee 2018 (£)		New Fee 2020 Increase 8% (£)	
	EU	HVS*	EU	HVS*
Fees for an official examination of seed for:–				
Analytical purity, germination and determination of other seeds by number.	64.50		69.66	
Fee for provision of International Certificates**				
Orange International Certificate	17.50		18.90	
Blue International Certificate	17.50		18.90	



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Partial Business & Regulatory Impact Assessment

PURPOSE AND INTENDED EFFECT

Background

Under current legislation, Scotland is obliged to implement seed regulations which comply with the marketing of certain species of seeds. Seed lots can only be marketed following analysis (official or under official supervision by licensed individuals), and certification that the seed meets the specific minimum seed quality standards for growers. This process ensures that farmers and growers receive seed of a minimum known quality.

Objective

In their role as an official service provider / supervisor for seeds marketing, Scottish Government has an obligation to ensure full cost recovery for all the services it provides, which includes field inspection of crops, testing of seed and the training and examination of people who undertake these activities. Within the Scottish Government, the Certification Authority part of SASA, take lead responsible for the technical and administrative work associated with seed certification.

Rationale for Government intervention

This work contributes to the Scottish Government's Wealthier and Fairer strategic objective by creating a high quality public service. Essentially, failing to make full cost recovery means, the Scottish tax payers subsidising services that should be covered by the industry using it. Currently we review fees for seed testing, seed certification and associated functions annually, this allows fees to be met by those businesses which benefit from them directly and not the taxpayer.

CONSULTATION

Within Government

Scottish Government's policy team have consulted with the Certifying Authority, who working closely with RPID and the Official Seed Testing Station (OSTS) for Scotland, have reviewed the processes and procedures to provide the information contained within this Partial BRIA. The Certifying Authority have provided the costings for undertaking this work, and predicted the fees associated with seed testing, seed certification and other associated functions required to make full cost recovery in 2020/2021.

Public Consultation

This partial BRIA will accompany the 12 week consultation which will be issued on the 12 February 2020. The consultation documents will be sent electronically and by post to all interested parties registered with Scottish Government (~100 businesses /individuals). An electronic copy will also be placed on the Scottish Government and SASA websites. No informal consultation has taken place.

Business

In addition to this, in line with Scottish Government's Better Regulation practices, around 10 to 12 individuals / companies will be interviewed, in order for Scottish Government to establish what these proposed changes will mean to their business.

FEE STRUCTURE OPTIONS

To accomplish the stated aim of introducing a full cost recovery regime for the seed certification, seed testing and associated functions, we have considered the following options:

1. Maintain the status quo, no increases in fees.

No change, will not achieve full cost recovery and any deficits will continue to rise. To avoid unnecessary public expenditure it is Scottish Government policy to set fees for these services that should meet full cost recover.

2. Increase fees to achieve full cost recovery in financial year 2020.

This option would achieve the Scottish Government's objectives to recover the full cost of the service. Fees would increase so that those who benefit from the service would be required to meet the true costs of providing a Scottish seed certification scheme.

The OSTs, RPID and the Seed Certification branch at SASA have conducted their annual review of the services they provide and have identified that costs are not being fully recovered in some areas. Seed testing fees vary due to staff costs, seed quality, and the seed testing season. In a wet harvest such as 2019, seed quality can be lowered (e.g. poor germination). These samples are more difficult to assess and take longer for seed analysts to complete, therefore, increasing the amount of staff time taken to conclude these tests. To take account of the rise in costs for seed testing, it is necessary to increase seed testing fees by 8%.

The fee charged to licence a Seed Testing Station (LSTS) covers the cost of the official supervision provided by the OSTs, which includes a check of their premises, stores, records and equipment. A new method of supervision for checking the samples tested by the LSTS was introduced in 2018, with only one visit now taking place instead of two. Reserve portions (check samples) are now requested fortnightly by the OSTs. These efficiencies still allow for effective monitoring at a reduced cost. As a result of the savings being made by the OSTs, it is recommended these savings are passed on to the LSTS, and the fee is proposed to be reduced by 9%.

Fees for certification, the training and examining licensed persons from the seed industry require to be increased by 5% to maintain full cost recover. The use of the online application system continues to increase with over 90% of the seed industry now using it.

Preferred Option

Option 2 is preferred by the Scottish Government.

To be in line with Scottish Government's policy of meeting full cost recover, the following changes would need to be made to the fees associated with seed testing, seed certification and other associated functions to meet this objective

- An increase for seed certification and associated licensed activities fees by 5%;
- An increase all seed testing fees by 8%;
- A reduction of Licensed Seed Testing Stations fee by 9%;
- To maintain all cost associated with Seed Testing Course at present level.

Sectors and groups affected

- Professional Seed Operators
 - Seed Merchants
 - Seed Processors
 - Seed Packers
- Licensed Seed Testing Stations (LSTS)
- Licensed Seed Samplers
- Licensed Crop inspectors
- Farmers

Based on the information we hold, we have provided an estimate of costs that an 8% increase in seed testing fees and 5% increase for all other seed certification service will have on a 30 tonne seed lot of cereal and a 10 tonne seed lot of Timothy online application is attached in **(Annex A)**

SCOTTISH FIRMS IMPACT TEST

To obtain a better understanding of what these proposed increases will mean for Scottish individuals / companies, Scottish Government will need to speak to a cross section of the seed industry. Interviews will take place during March/April, and our findings will be summarised in the Final BRIA, which will be published along with a summary of the responses we receive.

Competition Assessment: We do not anticipate any impact on competition. However we will update this section after interviews with industry.

Test run of business forms: No new forms for business to fill in will be introduced as a result of our proposals.

LEGAL AID IMPACT TEST

Having consulted with the Legal Aid Team, we do not anticipate that the contents of this BRIA will impact the Legal Aid Fund.

ENFORCEMENT, SANCTIONS AND MONITORING

The Scottish Government Accounting System (SEAS) team, the Certifying Authority & the OSTs Scotland all work together to insure invoices are issued timeously. The normal action for non-paid invoices is used by the SEAS team for any statutory services not paid for by an individual or company after the time allotted.

Non-compliance result in companies or individuals being put on a client blacklist. Failure to pay for a service means no further work is carried out by the Certifying Authority or by the OSTs.

IMPLEMENTATION AND DELIVERY PLAN

Any increase will be implemented by way of The Seed Fees (Scotland) Regulations 2020, with the exception of the seed testing fees, which uses Section 24(4) of the Plant Varieties and Seeds Act 1964, as it provides Scottish Ministers with powers to allow the Official Seed Testing Station for Scotland to make charges for services provided.

The proposed increases and reduction of fees would come into force on the 1 July 2020.

Post-implementation review

Scottish Ministers have given their assurance to the Rural Economy and Connectivity Committee, that the statutory fees charged for seed testing, seed certification, and associated licensed activities should be reviewed on an annual basis.

SUMMARY AND RECOMMENDATION

Scottish Government preferred option is Option 2 - A 5% increase to maintain full cost recovery for seed certification and associated fees and an 8% increase for seed testing fees, to reduce the deficit that the OSTs and the Certifying Authority currently have for providing seed certification / testing services. The proposed increases are anticipated to bring full cost recovery.

The reduction in the licence fee for official supervision of Licensed Seed Testing Stations would ensure that no inappropriate over recovery of fees for this function occurs.

Summary costs and benefits table

This section will be updated at Final BRIA stage.

DECLARATION AND PUBLICATION

I have read the impact assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact will be assessed with the support of businesses in Scotland.

Signed:

.....

Date:

.....

Minister's name:

.....

Title:

.....

.....

Scottish Government Contact point:

Graham Hall
(Ext: 45984)

PARTIAL BUSINESS AND REGULATORY IMPACT ASSESSMENT

This partial BRIA will accompany the 12 week consultation which will be issued on The 12 February 2020, and indicates the projected fee increase for 2020. The consultation documents will be sent electronically and by post to all interested parties registered with Scottish Government (~100 businesses/individuals). An electronic copy will also be placed on the Scottish Government and SASA websites.

1. CEREAL ONLINE APPLICATION: EXAMPLE OF FINAL GENERATION

Statutory Service/Function	Fee- 2018 Fees	Cost per tonne of Seed (assuming 30 tonne lot)		Fee- 2020 Fees	Cost per tonne of Seed (assuming 30 tonne lot)
Initial Fees (Online fee as > 90% apply online)	£4.05	£0.81		£3.85	£0.74
Crop Inspection Fee	£19.71	£3.94		£21.29	£4.24
Seed Lot Fee (Online fee as > 90% apply online)	£31.35	£1.05		£31.35	£1.05
Sampling Fee	£52.55	£1.75		£56.75	£1.89
Seed Testing – HVS test, 100 Seed STZ (90% of Cereal Seed tested is using 100 Seed STZ)	£81.00	£2.70		£87.48	£2.92
Fee Cost per tonne		£10.25			£10.84
Labels*		£1.00		£1.00	
Seals*		£1.00		£1.00	
Bags*		£8.00		£8.00	
Total cost of Certification per tonne		£20.25			£20.84

* Labels, seals and bags are not part of the consultation process and are only present to demonstrate overall cost

2. GRASSES COSTINGS EXAMPLE: FINAL GENERATION (ONLY SCOTS TIMOTHY GROWN AND CERTIFIED IN SCOTLAND)

Statutory Service/Function	Fee- 2018 Fees	Fee (per tonne, assuming 10 tonne lot)		Fee- 2020 Fees	Cost per tonne of Seed (assuming 10 tonne lot)
Initial Fees (Other fee as all Timothy applicants use paper entries)	£4.46	£3.03		£4.46	£3.03
Crop Inspection Fee	£19.71	£1.97		£21.29	£2.13
Seed Lot Fee (Other fee as all Timothy applicants use paper entries)	£34.60	£3.46		£36.33	£3.63
Sampling Fee	£52.55	£5.26		£56.75	£5.68
Seed Testing	£83.00	£8.30		£89.64	£8.96
HVS verification	£7.34			£7.93	
Fee Cost per tonne		£22.02			£23.43
Labels*		£3.20		£3.20	
Seals*		£1.00		£1.00	
Bags*		£12.00		£12.00	
Fee cost per tonne		£38.22			£39.63

* Labels, seals and bags are not part of the consultation process and are only present to demonstrate overall cost



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