

Date : 26 May 2017  
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cc :  
From :  
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## **FEES FOR SEED TESTING, SEED CERTIFICATION AND ASSOCIATED SEED FUNCTIONS**

### **Summary**

1. Thank you for the opportunity to comment on the Scottish Government consultation document dated 3 March 2017. In summary, the views of NFU Scotland are that:
  - 1.1. Scottish growers rely on the seed they purchase to produce quality crops for the market, so need an effective seed testing and certification system
  - 1.2. the cost of seed testing and seed certification should to kept a low as possible, consistent with operating a system that assures seed quality
  - 1.3. high quality seed, being fundamental to the food chain, represents a public good. We disagree that it is only the seed industry that benefits from the services designed to ensure seed quality.
  - 1.4. with cereal sector farm incomes down and costs rising we believe that there should not be an increase in fees at this time.

### **Specific Comments**

2. Seeds and other propagating material occupy a vital position at the base of the food chain. It is essential that growers have assurance of the purity and quality of the seed they buy so that they can provide the volume and quality of crops needed for consumption and further processing, including as livestock feed.

3. Scottish growers have traditionally shown their understanding of the importance of seed quality by purchasing Higher Voluntary Standard seed to a greater degree than growers elsewhere in the UK. In so doing they accept additional cost that in many cases is not recovered when selling their crops.
4. Scottish agriculture is faced by a great deal of uncertainty, not least from Brexit. Even ignoring that, Scottish Government figures indicate that farm incomes in the Cereals sector fell 12 per cent in 2015 and a further eight per cent in 2016. So they are in a poor position to absorb additional cost.
5. Although we recognise the savings that MySeeds have made possible and understand the motivation behind full cost recovery, we disagree that it is only the seed industry that benefits from the services relating to seed. It is the public as a whole that benefits. The Scottish Government should continue to contribute for that reason and also to give it an ongoing stake in making further savings.

### **Proposed Fee Increases**

6. Compared with the overall cost of providing the services being consulted on, the proposed total charge is relatively modest. We welcome that no increase is proposed in some fees.
7. Although the regulatory impact assessment suggests that the cost of seed would only need to rise by a small amount due to the proposed increases, the seed industry needs to achieve a margin over costs. That means that the final impact on seed prices would likely be higher than suggested. That is likely to be compounded by other rises in costs to the seed industry.
8. Given the importance to the public of high quality seed, the fall in cereal incomes and other pressures on arable farming, NFUS does not believe that fees should be increased.