

Consultation Analysis: The Introduction of mandatory Sheep Carcase Classification and Price Reporting

March 2018

Consultation Analysis

Background

In a consultation which opened on the 24 November 2017 the Scottish Government proposed the introduction of mandatory sheep classification with an exemption to mandatory classification and price reporting if there are fewer than 500 sheep per week as an annual average going through the slaughterhouse. This consultation was instigated as the result of a recommendation directed at the Scottish Government in the industry led Scottish Sheep Sector review. The recommendation called for a review of price and grading reporting protocols.

The consultation document was sent to a comprehensive range of relevant stakeholders and was uploaded to the Scottish Government Citizen Space portal.

The consultation period ended on the 26 January 2018 with a total of 17 responses submitted, this included 8 responses from organisations (such as the National Farmers Union Scotland, National Sheep Association and the Scottish Association Meat Wholesalers)

Responses

Question 1

The first question asked was 'do you agree that there should be an exemption to mandatory classification and price reporting if there are fewer than 500 sheep per week as an annual average going through the slaughterhouse'.

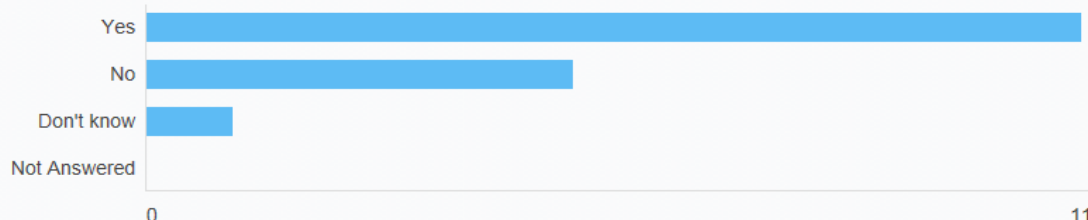
From the 17 responses received, 11 were in agreement of the exemption criteria with 5 disagreeing and 1 responded did not express an opinion on way or another. Of those in favour the majority were quoting that the 500 average weekly throughput would not be overly influential of the overall price structure in the industry. There was also some comment that potentially abattoirs dealing in these sort of numbers are possible doing home kill, rare breeds, or local butcher kill, and including this sort of kill could skew or distort the overall price reporting figures .

Those who did not agree with this on the whole felt that 500 was too high and could be negating around 20% to 22% of the kill.

Table of "Do you agree that there should be an exemption to mandatory classification and price reporting if there are fewer than 500 sheep per week, as an annual average, going through the slaughterhouse?"

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Option	Total	Percent of All
Yes	11	64.71%
No	5	29.41%
Don't know	1	5.882%
Not Answered	0	0%

Question 2

The second question was the more fundamental questions of whether to introduce the mandatory classification, which would in turn instigate the exemption figure as asked at question one - 'Do you agree that the Scottish Government should seek to introduce mandatory sheep carcass classification systems and price reporting'.

Of the 17 responses 9 were in agreement and 8 disagreed.

Whilst there were 9 in favour of the proposal, some fundamental reservations were raised, which caveated their agreement to the proposal with the move to mandatory classification not having a cost impact on the industry. In addition, several respondents have all indicated the importance of the price reporting data belonging first and foremost to the Scottish industry. There was a small concern particularly from one respondent as to whether this move may have the potential to displace more lambs out of Scotland for slaughter. Several organisations have asked for further dialogue on the proposal.

There were further positive comments from those who were in favour of a more transparent price reporting mechanism, a uniform standard of grading across the sector and an honest and independently inspected process of carcass classification.

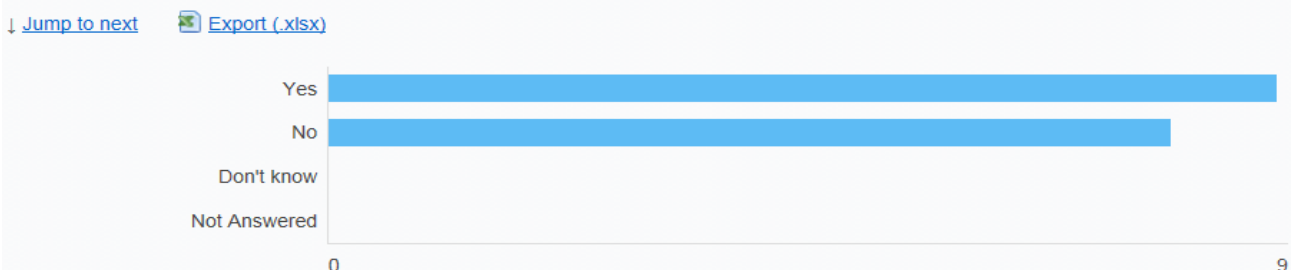
As stated there were 8 respondents who were not in favour of the introduction of mandatory sheep classification.

There was a concern expressed in a few of the response to the potential additional costs, and administration burden on abattoirs of introducing mandatory classification. The training of graders was specifically mentioned as was any extra costs being deducted from the price obtained for the sheep.

Some respondents, commented that only introducing this in Scotland would not provide a true picture of the prevailing market conditions, unless the whole of the UK was moving in same direction.

Almost half of the respondents who were not in favour of the proposal made comments in regard to the dressing specifications and the fact that abattoirs dress to their own specifications for the trade they are supplying and the introduction of the mandatory classification could have a detrimental impact on that. One respondent made no comment.

Table of "Do you agree that the Scottish Government should seek to introduce mandatory sheep carcass classification systems and price reporting?"



Option	Total	Percent of All
Yes	9	52.94%
No	8	47.06%
Don't know	0	0%
Not Answered	0	0%

Scottish Government Conclusion

This consultation was carried out in reaction to a recommendation aimed at the Scottish Government within the industry lead Scottish Sheep Sector review that was published in late 2016.

On analysing the responses of the consultation it would appear that should Scotland introduce mandatory sheep classification and price reporting then an exemption to those with an average annual throughput of 500 sheep per week would be acceptable to the majority of respondents.

Based on current known throughout numbers we are aware that there are 7 abattoirs who would not be exempted from this requirement, who between them account for over 90% of all throughput. We therefore believe the 500 weekly threshold would be a sensible figure to adopt were we to introduce sheep classification and price reporting as mandatory. We would also propose that any premises exempted based on the threshold numbers can opt into the classification and price reporting rules at their discretion.

Whilst the analysis of question 2 shows there is a majority who are in favour of the introduction of Mandatory Sheep Classification it is clear that further works needs to be carried out before any final decisions can be made.

As specified in the above analysis the Scottish Government notes that there are full caveats to the agreement from some of the industry responses, which include some further questions and a request for additional dialogue that needs to be addressed.

We also note the concerns raised in connection to the dressing specifications and particularly the strong issues raised in regard to additional costs to the industry of introducing the proposal.

Whereas we can specify that there would be no additional costs in reference to the training, licensing and testing of the classifiers as this would be carried out by the Scottish Government Meat Inspectors, we agree that further work should be carried out through the whole supply chain to ensure no additional and unexpected costs would be created as a result of this proposal.

As a result of the responses it would not be appropriate for the Scottish Government to make a final decision on the introduction of Mandatory Sheep Carcass Classification without further industry engagement. We therefore propose to carry out further discussion through meetings with the industry and will ensure all respondents to the consultation continue to have the opportunity to feed in to this exercise.

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