

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

**9 February to 4 May 2018**



**Scottish Government**  
Riaghaltas na h-Alba  
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## PART I - ABOUT THIS CONSULTATION

### Responding to the Consultation Paper

We are inviting responses to this consultation by 8 May 2018. Please respond to this consultation online at: <https://consult.gov.scot/agriculture-and-rural-communities/seed-testing>;

Please ensure that consultation responses are submitted before the closing date.

Respondent Information Form (see 'Handling your Response' below) and send it with your written response to:

Graham Hall,  
Plant Health, Horticulture, Seeds and Potato Policy Branch  
The Scottish Government, D Spur,  
Saughton House,  
Broomhouse Drive,  
EH11 3XD

or E-mail it to - [Seeds&NationalListing@gov.scot](mailto:Seeds&NationalListing@gov.scot);

### Handling your response

If you respond using Citizen Space, you will be automatically directed to the Respondent Information Form at the end of this consultation. This will let us know how you wish your response to be handled and, in particular, whether you are happy for your response to be made public.

Please complete and return the Respondent Information Form, as this will ensure that we treat your response appropriately. If you ask for your response not to be published, we will regard it as confidential and will treat it accordingly.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 said Act for information relating to responses made to this consultation exercise.

### Next steps in the process

After the consultation has closed, we will analyse the responses received and these will inform the decision making process for how the Plant Health, Horticulture, Seeds and Potato Policy Branch will form their policy. Where respondents have given permission for their response to be made public, we will publish an analysis of them along with a scanned copy of the response(s).

## Purpose of Consultation

Scottish Government have reviewed the fees for seed testing, seed certification and associated seed functions. The findings have been documented in this consultation paper, and the proposed changes to fees inserted into the relevant schedules and BRIA.

The purpose of this consultation is to seek comments from individuals / companies on the proposal to increase all certification and associated fees by CPI 3.0%<sup>1</sup> with the exception of seed testing fees, which we propose to increase by 8%. A 5% reduction is being provided for those applications submitted through MySEEDS. The change of fees is proposed to come into force on 1 July 2018.

## Scottish Government consultation process

Consultation is an essential part of the policy-making process. It gives us the opportunity to consider your opinion and expertise on an area of work that we consider of interest to you.

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 on the Scottish Government Website. 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.

## Duration of Consultation

- This consultation started 13 February 2018
- This consultation closes on 8 May 2018
- A consultation period of 12 weeks applies

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<sup>1</sup> Figures as provided by Office of National Statistics on 16 January 2018

## **How to make an enquiry**

If you have any queries relating to this consultation please e-mail Graham Hall at [Seeds&NationalListing@gov.scot](mailto:Seeds&NationalListing@gov.scot); or call on 0300 244 5984.

## **A Business and Regulatory Impact Assessment (BRIA)**

A BRIA has been attached at **Annex D**, providing some detail as to what the expected costs may be for the certification of a cereal and / or a non-cereal seed lot after the 1 July 2018.

## **PART II - BACKGROUND TO SERVICES PROVIDED BY SCOTTISH GOVERNMENT**

### **1. Introduction**

Crop Certification Schemes exist to protect farmers buying the seed, to ensure that the product they receive meets certain quality standards. The current UK Cereal Scheme incorporates several quality control mechanisms, including official testing to ensure that the seed meets prescribed standards for germination, freedom from weeds, and varietal identity and purity and crop inspections.

The Scottish Government has five Scottish Statutory instruments which legislate for the marketing of 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

These regulations are part of an EU-wide framework, which ensures that seeds meet the same quality standards wherever they are sold in the European Union.

### **2. Seed Certification**

Science and Advice for Scottish Agriculture (SASA) are a division of the Agriculture and Rural Economy Directorate, within Scottish Government, and 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.

Staff at SASA undertake the crop inspection for certified seed, and provide various training courses and examinations, which allow the industry to demonstrate their knowledge and expertise. If successful, an individual from the industry can obtain a licence to undertake crop inspections and / or seed sampling. Officials from the Certifying Authority, Agricultural Delivery (RPID) team and the Official Seed Testing Station (OSTS) for Scotland, are responsible for the official supervision of all licensed persons, crop checking and check sampling for at least 5% of all crops and seed lots.

Seed certification at SASA has undertaken a number of cost saving measures over the last five years, including the amalgamation of the cereals and non-cereal sections, and the introduction of on-line applications.

## **Cereals**

The majority of seed certified in Scotland is cereal seed. **Table 1** below provides the species and the numbers that have been certified by the Certifying Authority over the last five years.

**Table 1**

### **Number of Applications**

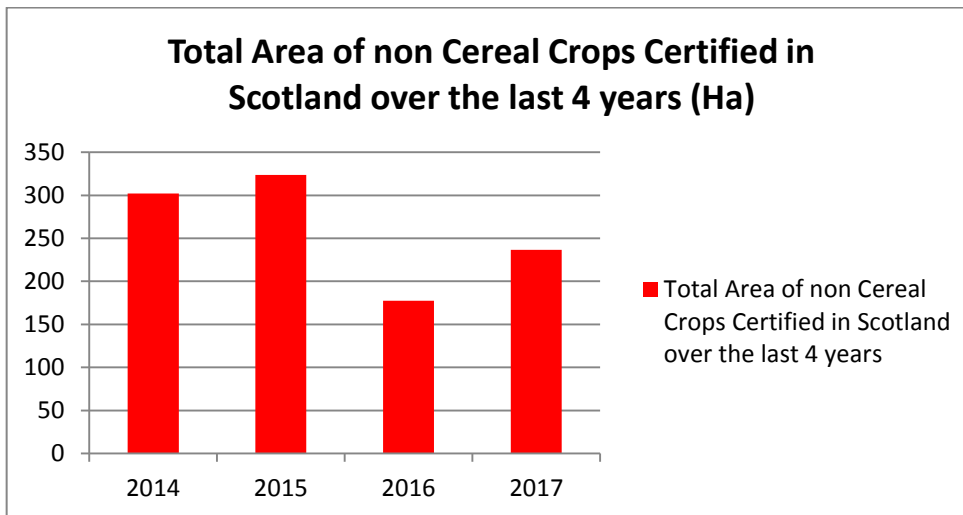
	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Spring Barley</b>	1233	1089	989	934	1067
<b>Spring Oats</b>	131	92	122	138	143
<b>Spring Triticale</b>	1	0	0	0	0
<b>Spring Wheat</b>	48	33	36	37	31
<b>Winter Barley</b>	268	233	255	232	264
<b>Winter Oats</b>	43	44	36	42	57
<b>Winter Triticale</b>	2	1	1	1	1
<b>Winter Wheat</b>	449	468	454	518	521
<b>Total</b>	2175	1960	1893	1902	2084

## ***Non-cereals***

The volume of non-cereal seed grown and/or certified in Scotland is small (see **Table 2** for details) This consists mainly of field peas and field beans, occasional oilseed crops and Scots Timothy. Crop inspections are generally carried out by officials from the Certification Authority. Due to the low number of non-cereal crops certified, the fees charged are based on those calculated for cereals.

**Table 2**

**Total area of Non cereal crops certified in Scotland over the last 4 years.**

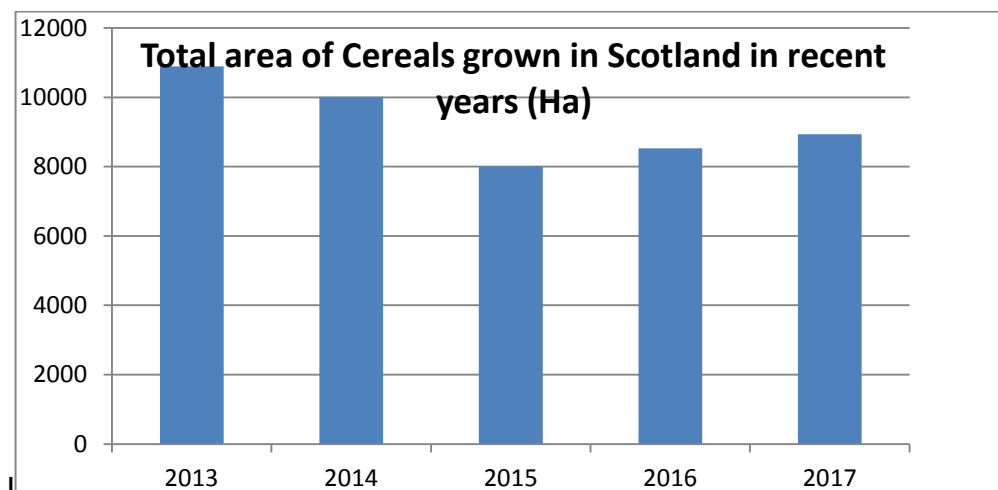


## ***Area of Seed Crops Grown in Scotland***

The total area of seed crops grown in Scotland has fluctuated over recent years (which is reflected in **Table 3**)

**Table 3.**

**Total area of Cereals grown in Scotland over last 5 years.**





## Costs

Last season (2016/17) seed certification operated a small surplus ~3%. This was due in part to higher crop inspection income than budgeted for resulting from an increase in official inspection fees, because of a higher number of plot failures than anticipated. The need for official inspections has not been required in the current seed certification season 2017/18, so no surplus is anticipated.

With inflation beginning to creep up, it would be prudent to apply an across the board inflationary rise for most costs. January's CPI figure has been calculated at 3%, and this will be added to all seed certification costs, including training courses and exams, but will exclude any online seed lot and crop entries where we propose to pass cost savings on to our online users. **(Annex A & B)**

The alternative would be no price increase, but this is likely to leave the Scottish taxpayer having to subsidise the industry using these services.

## MySEEDS

The Certifying Authority (CA) are encouraged by the level of uptake of MySEEDS by the seed industry, (**Table 4**) and having seen early efficiencies last year, were able to propose that the fees for on line applications should remain unchanged. All other services increased by the then CPI of 1.8%. It was acknowledged that the differential between online and paper applications was small, however, this year we are able to propose that fees for online applications are reduced by 5%. This increases the differential in order to both pass on savings being realised, and hopefully encourage businesses that have not yet used the online facilities available through MySEEDS to consider it. **(Annex A)**

**Table 4**

### MySEEDS

#### Crop Applications

applied for:	Paper forms	MySEEDS	TOTAL
1/7/2015 - 30/6/2016	590	386	976
1/7/2016 - 30/6/2017	<b>294</b>	<b>744</b>	1038

#### Seed Lot Applications

applied for:	Paper forms	MySEEDS	TOTAL
1/7/2015 - 30/6/2016	1210	745	1955
1/7/2016 - 30/6/2017	<b>443</b>	<b>1677</b>	2120

Number of MySEEDS registered companies: 30

## ***Possible Costs Savings to be made by Using MySEEDS***

A business growing 200 Ha of a cereal seed crop and certifying 1500 tonnes the annual saving through use of MySEEDS could be £246.50.

Signing up to use MySEEDS is straight forward and support can be provided by the Certifying Authority staff if required. Please e-mail any requests to [cereals.myseeds@sasa.gsi.gov.uk](mailto:cereals.myseeds@sasa.gsi.gov.uk); if you would like to find out more about using MySEEDS.

### **3. Seed Testing**

The Official Seed Testing Station (OSTS) for Scotland charge for four distinct areas—

- supervision of licensed seed testing stations;
- checking of certification samples tested at an Licensed Seed Testing Stations (LSTS);
- testing of seed for statutory purposes and;
- training and examination of Seed Analysts and Laboratory Managers

#### ***Supervision of a Licenced Seed Testing Station***

There are four Licensed Seed Testing Stations(LSTS) in Scotland that are supervised by the OSTs. Article 2 B of the Marketing Directives<sup>2</sup> allows the seed certifying authority to grant a licence that permits a seed testing laboratory to undertake the statutory testing of species for which they demonstrate competency.

To maintain a seed testing licence, the laboratories performance is monitored by the OSTs. The Marketing Directives require that at least 5% of all samples tested for certification purposes are check tested. As well as checking the samples, the OSTs is responsible for ensuring that –

- the analyst-in-charge has passed all necessary official examinations and maintains the necessary skills and competencies for the technical management of the LSTS;
- all analysts have passed official examinations and maintain their technical competency;
- the laboratory and the equipment meets and is maintained to a satisfactory level for the purpose of seed testing and;
- the methods used for statutory testing of certified seed are in accordance with those prescribed by the International Seed Testing Association (ISTA)

The OSTs fulfils these requirements by visiting each LSTS twice per year to audit the laboratory against the requirements of the Licence and to collect check samples. The check samples are tested at the OSTs and results compared to those of the original certification sample tested by the LSTS. Where discrepancies arise, the LSTS and OSTs

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<sup>2</sup> Council Directive 66/401/EEC (fodder) Council directive 66/402/EEC (cereals) Council directive 200 / / (oil & fibre) Council directive 200 / / (beet) Council Directive 200 / / (vegetables)

will retest the samples. All results are reported back to the laboratory as part of the audit report. The OSTs provides support to correct testing discrepancies and non-conformances identified during the audit. Support is also provided by annual proficiency testing and LSTS workshops.

### ***Proposal to increase the current Licence of a Seed Testing Station***

The current Licence fee charged to undertake this work is £1,650 per annum. The licence fee is based on staff time plus the cost of travel and subsistence. The cost of providing this service for period 1 July 2016 to 30 June 2017 was £7019 compared to income £6600, 94% cost recovery. **(Annex B)** Scottish Government propose to increase the fee for a Licensed Seed Testing Station by 3.0% (Increase is in line with CPI as of 16 January 2018), which will take effect as of the 1 July 2018.

### ***Through put***

Legislation requires the OSTs to check test at least 5% of all statutory samples tested at the licenced seed testing stations. These samples are drawn at random on a bi-annual basis by the OSTs.

For every statutory seed sample that an LSTS tests, they are required to pay a 'through put' fee to the OSTs. The fee covers the cost of testing the check samples including retests. The current throughput fee is £7.63. **(Annex B)**

### ***Proposal for the Through Put fee to remain status quo***

Last season harvest was a good one with very few problems for seed testing and therefore the proposal is to leave the through put fee at £7.63. Another reason for not increasing this fee is that the OSTs is proposing to introduce a new method of charging from 2019/20.

It is anticipated that it may bring about some savings to the LSTSs. More details of this proposal will be available in the Spring 2018.

### ***Seed Testing Fees***

Seed testing costs are heavily influenced by harvest conditions and quality of seed. The cost recovery for years 2012/13 to 2016/17 are provided below. Figures show the reduced recovery due to additional staff time required for testing and assessing each sample due to the poor harvest and quality of seed in 2012 compared to the good harvest and high quality in 2016. Even with increases to fees in 2012 (20%), 2014 (5%), and 2016 (1.7%) there is considerable variability in cost recovery between years. The average cost recovery over the four years presented is 87%.

#### **National % Cost recovery figures since 2012-13 to 2016-17**

<b>2012-2013</b>	<b>2013/12</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Average</b>
79	No figure	88	85	97	87

## ***Proposal to increase seed testing fees***

Given the difficulties of the 2017 harvest and the resultant quality of seed it is predicted that cost recovery for review of 2017/18 year will likely fall between 85% and 90%, even when taking in to account the 1.8% increase from 1 July 2017.

The Seed analysts at SASA are extremely skilled and trained to a high standard. For a Seed Analyst to become fully qualified it takes a minimum of 5 years. They are required to pass examinations covering six UK Proficiency in Seed Testing Divisions across a range of species. A recent re-grading of seed Analyst, highlighted the fact that staff in the seed testing laboratory were graded incorrectly, this re-grading increased the analyst rate by 17%. SASA and the OSTs are aware of the impact that an increase in this size can have and are managing to reduce the impact of cost of regarding through improvements to the processes.

Taking into account the cost recovery of seed testing for the last five years and the re-banding of seed analysts, it is proposed that seed testing fees are increased by 8% to ensure full cost recovery in 2018/19 year.

Please see **(Annex C)** for full details of seed testing fees.

## ***Scottish Government's Policy on Fees & Charges***

The fees for seed testing, seed certification and associated seed functions are reviewed annually, to ensure that if any changes are required, they are implemented as far as possible that year and not allowed to accumulate over a number of years, resulting in large increases.

A recent review performed by the Scottish Government policy team highlighted that the fees for seed testing are not making full cost recovery.

Scottish Government's standard approach to setting charges for public services is full cost recovery, in doing so it avoids unnecessary public expenditure. Charging also provides an incentive to use goods and services economically, efficiently and effectively.



## RESPONDENT INFORMATION FORM

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

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
<b>A. Initial fees</b>			
(i) Initial fee per hectare or part thereof for crops intended to produce:-			
(a) Pre-Basic Seed or Basic Seed –			
Online Applications	29.60	28.12	-5.00%
Other Applications	30.13	31.03	3.00%
(b) Certified Seed, Certified Seed of the First Generation, Certified Seed of the Second Generation or Certified Seed of the Third Generation.			
Online applications	4.25	4.05	-5.00%
Other applications	4.33	4.46	3.00%
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.	2.80	2.88	3.00%
(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	29.52	30.41	3.00%
<b>B. Crop inspection fees</b>			
(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.	19.14	19.71	3.00%
(ii) Fee for the official field inspection of a hybrid of swede rape, per hectare or part thereof examined.	57.42	59.14	3.00%
(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:-	19.14	19.71	3.00%

(a) Further official examination of crops for wild oats, per hectare or part thereof examined	8.81	9.07	3.00%
(b) Further official examination of crops in respect of isolation distance, per hectare or part thereof examined	3.46	3.56	3.00%
(c) Further official examination of crops which have been lodged, per hectare or part thereof examined	7.79	8.02	3.00%
(iv) Fee for authentication of seed lot sown, (where this has not been carried out at crop inspection), per crop	7.79	8.02	3.00%
(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	19.14	19.71	3.00%
(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.	29.52	30.41	3.00%
<b>C. Seed lot fee</b>			
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	85.00	80.75	-5.00%
Other applications	86.53	89.13	3.00%
(ii) of a final generation category - on line applications	33.00	31.35	-5.00%
Other applications	33.59	34.60	3.00%
<b>D. Seed lot re-entry fee</b>			
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:			
(i) Pre-Basic Seed, Basic Seed, Certified Seed, Certified Seed of the First Generation	35.63	36.70	3.00%
(ii) Certified Seed of the Second Generation or Certified Seed of the Third Generation	17.76	18.29	3.00%

<b>E. Sampling fees</b>			
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	51.02	52.55	3.00%
<b>F. Official label fees</b>			
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	41.23	42.47	3.00%
(ii) Self-adhesive label for breeder's confirmation seed, Pre-Basic Seed or seed for export	28.50	29.36	3.00%
<b>G. OECD Certificate</b>			
Fee per certificate for issuing an Organisation for Economic Co-operation and Development (OECD) Certificate	25.45	26.21	3.00%
<b>H. Higher Voluntary Standard (HVS)</b>			
Fee per seed lot for verification that a seed lot meets the applicable Higher Voluntary Standards (HVS)	7.13	7.34	3.00%



**MATTERS ARISING UNDER THE SEEDS (REGISTRATION, LICENSING AND ENFORCEMENT) (SCOTLAND) REGULATIONS 2006**  
**SCHEDULE 2**

Matter	When Payable	Current Fee £	Proposed Fee £	Percentage Change
<b>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</b>				
(i) Fee for making written representations to the Scottish Ministers	On making representations	33.95	34.97	3.00%
(ii) Fee for being heard by a person appointed by the Scottish Ministers	On applying to be heard	67.95	69.99	3.00%
<b>B. Licensed seed testing stations</b>				
(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	1650.00	1699.50	3.00%
(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	7.63	No increase
<b>C. Cereal Crop Inspection Courses and Examination</b>				
Fee for:-	Fee payable within one month of demand by or on behalf of the Scottish Ministers			
(i) Cereal Crop inspection course		629.12	647.99	3.00%
(ii) Initial examination and compulsory re-test				
(a) all 3 species groups		98.44	101.39	3.00%
(b) 2 species		72.48	74.65	3.00%
(c) 1 species only		36.24	37.33	3.00%
<b>D. Seed Sampling Courses and Examination</b>				
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)		422.47	435.14	3.00%

(ii) Tuition and examination for seed samplers licence (administrative element only)		126.74	130.54	3.00%
(iii) Re-examination fee for seed samplers license with sampling function enabled		36.95	38.06	3.00%
(iv) Re-examination fee for seed samplers license with sampling function not enabled		10.59	10.91	3.00%
<b>E. Seed analyst courses and examination</b>				
Fee for:—	Within one month of demand by or on behalf of the Scottish Ministers			
(i) Laboratory management course registration		1112.67	1146.05	3.00%
(ii) Laboratory management course attendance and examination (per day or part thereof)		419.42	432.00	3.00%
(iii) Analyst course registration		1841.56	1896.81	3.00%
(iv) Analyst course registration – additional and retake divisions (per division)		179.17	184.55	3.00%
(v) Analyst course attendance (per day or part thereof. Number of days depends on division)		419.42	432.00	3.00%
(vi) Analyst course examination (per day or part thereof)	Analyst course examination (per day or part thereof)	419.42	432.00	3.00%
(vii) Tetrazolium testing course attendance (per day or part thereof)	Tetrazolium testing course attendance (per day or part thereof)	433.67	446.68	3.00%
(viii) Tetrazolium testing course examination (per day or part thereof)	Tetrazolium testing course examination (per day or part thereof)	433.67	446.68	3.00%

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

<b>CEREALS</b>	<b>Current Fee 2017 (£)</b>		<b>New Fee 2018 Increase 8% (£)</b>	
	<b>EU</b>	<b>HVS*</b>	<b>EU</b>	<b>HVS*</b>
<b>Fee for an official examination of seed for:</b>				
Certification tests (analytical purity, determination of other seeds by number and germination).	56.09	69.91	60.58	75.50
Certification tests (analytical purity, determination of other seeds by number, germination and moisture content).	59.69	74.14	64.47	80.07
Certification tests (analytical purity, determination of other seeds by number and moisture content).	41.09	52.29	44.38	56.47
<b>Certification by STZ</b>				
Certification tests (analytical purity, determination of other seeds by number, 100 seed STZ).	56.97	70.87	61.53	76.54
Certification tests (analytical purity, determination of other seeds by number, 100 seed STZ and moisture content).	60.66	75.01	65.51	81.01
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).	78.49	92.40	84.77	99.79
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).	82.18	96.54	88.75	104.26
Certification tests (analytical purity, determination of other seeds by number, 200 seed STZ).	74.90	91.53	80.89	98.85
Certification tests (analytical purity, determination of other seeds by number, 200 seed STZ and moisture content).	78.48	95.77	84.76	103.43

\* HVS for wheat, durum wheat, spelt wheat, barley, oats and red oat

\*\* Testing charged separately

<b>CEREALS</b>	<b>Current Fee 2017 (£)</b>		<b>New Fee 2018 Increase 8% (£)</b>	
	<b>EU</b>	<b>HVS*</b>	<b>EU</b>	<b>HVS*</b>
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).	96.42	113.06	104.13	122.10
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).	100.01	117.30	108.01	126.68
Certification tests (analytical purity, determination of other seeds by number, 400 seed STZ)	113.27	135.67	122.33	146.52
Certification tests (analytical purity, determination of other seeds by number, 400 seed STZ and moisture content).	116.87	139.80	126.22	150.98
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).	134.79	157.19	145.57	169.77
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).	138.39	161.32	149.46	174.23
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.	45.77		49.43	
<b>Fee for individual or additional tests</b>				
100 seed STZ test on a certification sample.	31.96	31.96	34.52	34.52
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.	53.49	53.49	57.77	57.77
200 seed STZ test on a certification sample.	61.31	61.31	66.21	66.21

\* HVS for wheat, durum wheat, spelt wheat, barley, oats and red oat

\*\* Testing charged separately

<b>CEREALS</b>	<b>Current Fee 2017 (£)</b>		<b>New Fee 2018 Increase 8% (£)</b>	
	<b>EU</b>	<b>HVS*</b>	<b>EU</b>	<b>HVS*</b>
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.	82.83	82.83	89.46	89.46
400 seed STZ test on a certification sample.	123.92	123.92	133.83	133.83
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.	132.40	132.40	142.99	142.99
An analytical purity test on a certification sample.	25.99	25.99	28.07	28.07
An analytical purity test and a moisture content test on a certification sample.	30.55	30.55	32.99	32.99
An additional 2kg seed search for wild oats on a certification sample.	84.58	84.58	91.35	91.35
Fee for an official examination of certified seed for loose smut infection of wheat, durum wheat, spelt wheat and barley (per thousand embryos examined).	51.42	51.42	55.53	55.53
Moisture content test only on certification sample.	5.87	5.87	6.34	6.34
Germination test only on certification sample.	30.55	30.55	32.99	32.99
<b>Fee for provision of an International Certificate**</b>				
Orange International Certificate (including sampling)	68.20	68.20	73.66	73.66
Orange International Certificate	16.31	16.31	17.61	17.61
Blue International Certificate	16.31	16.31	17.61	17.61

\* HVS for wheat, durum wheat, spelt wheat, barley, oats and red oat

\*\* Testing charged separately

<b>FODDER</b>	<b>Current Fee 2017 (£)</b>		<b>New Fee 2018 Increase 8% (£)</b>	
	<b>EU</b>	<b>HVS*</b>	<b>EU</b>	<b>HVS*</b>
<b>Fees for an official examination of seed for:-</b>				
Analytical purity, germination and determination of other seeds by number of:				
(a) grasses, except timothy	103.60		111.89	
(b) timothy	79.96		83.12	
(c) large seeded legumes	59.57		64.34	
(d) small seeded legumes	72.30		78.08	
(e) brassicas	78.39		84.66	
Bitter Lupin Test.	44.35		47.90	
HVS Verification : Fee for a search for designated species to assess compliance with HVS standards for appropriate species	45.77		49.43	
<b>Fee for provision of an International Certificate**</b>				
Orange International Certificate (including sampling)	68.20		73.66	
Orange International Certificate	16.31		17.61	
Blue International Certificate	16.31		17.61	

\* HVS for wheat, durum wheat, spelt wheat, barley, oats and red oat

\*\* Testing charged separately

<b>OIL AND FIBRE</b>	<b>Current Fee 2017 (£)</b>		<b>New Fee 2018 Increase 8% (£)</b>	
	<b>EU</b>	<b>HVS*</b>	<b>EU</b>	<b>HVS*</b>
<b>Fees for an official examination of seed for:–</b>				
Analytical purity, germination and determination of other seeds by number, of sunflower, linseed, flax, soya bean and hemp.	65.77		71.03	
Analytical purity, germination and determination of other seeds by number of <b>Brassica</b> species.	78.39		84.66	
Seed-borne Disease Tests				
Sunflowers for <i>Botrytis</i> spp.	60.22		65.04	
Flax and linseed for –				
(a) <i>Alternaria</i> spp.	} 49.46		53.42	
(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.	86.32		93.23	
(b) for five sub-sample tests.	287.64		310.65	
Soya bean for <i>Diaporthe phaselorum</i> spp.	53.92		58.23	
<b>Fee for provision of an International Certificate**</b>				
Orange International Certificate (including sampling)	68.20		73.66	
Orange International Certificate.	16.31		17.61	
Blue International Certificate.	16.31		17.61	

\* HVS for wheat, durum wheat, spelt wheat, barley, oats and red oat

\*\* Testing charged separately

<b>BEET SEEDS</b>	<b>Current Fee 2017 (£)</b>		<b>New Fee 2018 Increase 8% (£)</b>	
	<b>EU</b>	<b>HVS*</b>	<b>EU</b>	<b>HVS*</b>
<b>Fees for an official examination of seed for:–</b>				
Analytical purity, germination and determination of other seeds by number.	69.03		74.55	
Includes: Number of seedlings germinating from a cluster in monogerm and precision seeds.				
<b>Fee for provision of International Certificates**</b>				
Orange International Certificate (including sampling)	68.20		73.66	
Orange International Certificate	16.31		17.61	
Blue International Certificate	16.31		17.61	

\* HVS for wheat, durum wheat, spelt wheat, barley, oats and red oat

\*\* Testing charged separately



<b>VEGETABLE SEEDS</b>	<b>Current Fee</b>		<b>New Fee 2018</b>	
	<b>2017 (£)</b>		<b>Increase 8% (£)</b>	
	<b>EU</b>	<b>HVS*</b>	<b>EU</b>	<b>HVS*</b>
<b>Fees for an official examination of seed for:–</b>				
Analytical purity, germination and determination of other seeds by number.	59.57		64.34	
<b>Fee for provision of International Certificates**</b>				
Orange International Certificate (including sampling)	68.20		73.66	
Orange International Certificate	16.31		17.61	
Blue International Certificate	16.31		17.61	

\* HVS for wheat, durum wheat, spelt wheat, barley, oats and red oat

\*\* Testing charged separately



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# Partial Business & Regulatory Impact Assessment

## **PURPOSE AND INTENDED EFFECT**

### **Background**

Seeds regulations implement European law, allowing certain kinds of agricultural seeds to be marketed. Only after official or licensed examination can the seed being certified as meeting specific minimum seed quality standards, and therefore be marketed. 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 Science and Advice for Scottish Agriculture (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, which we are continually improving and looking at way of make cost efficiency savings that still allows for sustainable future growth for the seed industry in Scotland. It also ensures that the cost of public services is met by those who benefit directly and the cost to Government is neutral.

## **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 BRIA. The Certifying Authority have provided the costings for undertaking this work, and have predicted the increases required to make full cost recovery in seed certification year 2018/19.

### **Public Consultation**

This partial BRIA will accompany the 12 week consultation which will be issued on the 13 February 2018. The consultation documents will be sent electronically and by post to all interested parties registered with Scottish Government (~130 businesses /individuals). An electronic copy will also be placed on the Scottish Government and SASA websites. No informal consultation has taken place.

## Business

Further to this, in line with Scottish Governments Better Regulation practises, 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 meet 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. Essentially, failing to make full cost recovery means, the Scottish tax payers subsidising services that should be covered by the industry using it.

### 2. **Increase fees to achieve full cost recovery in financial year 2017/18.**

This option would deliver the Scottish Government's aims 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.

Over the years the Certifying Authority at SASA have implemented a number of cost savings, one of which is MySEEDS.

Introduced in 2015, this database which is a combination of seed certification and seed testing data, allows registered individuals / companies to enter seed lots, crops, view seed test results and other functions online.

The Certifying Authority are encouraged by the level of uptake of MySEEDS by the seed industry and having seen early efficiencies last year, are keen to see others benefit from its use and therefore are proposing a 5% decrease in the costs for online applications as an incentive.

**A business growing 200 Ha of a cereal seed crop and certifying 1500 tonnes the annual saving through use of MySEEDS could be £246.50.**

An increase of 8% is proposed for seed testing fees, to allow full cost recovery at the Official Seed Testing Station. The cost of seed testing each year is dependent on quality of seeds, which is effected by the growing and harvest conditions. Poor harvest conditions and quality of seed, requires additional time for testing and assessing the samples. The average cost recovery for seed testing over a four year period has been 87%

A recent pay and grade review of the seed analysts that work at the OSTs, has also added to the need to propose a 8% increase for seed testing fees.

In 2016 the review concluded that the work undertaken by seed analysts requires highly skilled labour. Further to this it recognised that a fully qualified seed analyst requires a minimum of 5-6 years training. Any seed analysts not yet on the minimum grade (B1) recognised for costing certification work, were moved to this position.

The cost of supervising the Licensed Seed Testing Stations is proposed to increase by 3%. However, there will be no increase for the through put fees, paid by the LSTS for checking of reserve portions.

Scottish Government propose, all other seed certification fees, including training and examination course fees, will rise by the 3%, the CPI figure announced on 16 January 2018.

### **Preferred Option**

Option 2 is preferred by the Scottish Government. A 3% increase in line with CPI for all services, with the exception of an 8% increase for seed testing, no increase for through put fees and a reduction of 5%\* for online applications to allow Scottish Government to make full cost recovery on the services provided.

### **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 3% 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 is attached in **(Annex E)**.

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\* Offered as an incentive to use MySEEDS

## **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 2018, 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 they provide.

The proposed increases of 3% and 8% fees would come into force on the 1 July 2018. As would the 5% reduction for online applications.

### **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 3% in line with CPI 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 currently have for providing seed testing services. The proposed increases are anticipated to bring full cost recovery.

### **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:**

Carol Scott  
(Ext: 49504)

## **PARTIAL BUSINESS AND REGULATORY IMPACT ASSESSMENT**

This partial BRIA will accompany the 12 week consultation which will be issued on The 13 February 2018, and indicates the projected fee increase for 2018. The consultation documents will be sent electronically and by post to all interested parties registered with Scottish Government (~130 businesses/individuals). An electronic copy will also be placed on the Scottish Government and SASA websites.



**CEREAL PAPER APPLICATION: EXAMPLE OF FINAL GENERATION**

<b>Statutory Service/Function</b>	<b>Fee – 2017 Fees</b>	<b>Cost per tonne of Seed (assuming 30 tonne lot)</b>	<b>Fee 2018</b>	<b>Cost per tonne of Seed (assuming 30 tone lot)</b>
Initial Fee	£4.33	£0.87	£4.46	£0.89
Crop Inspection Fee	£19.14	£3.83	£19.71	£3.94
Seed Lot Fee	£33.59	£1.12	£34.60	£1.15
Sampling Fee	£51.02	£1.70	£52.55	£1.75
Seed Testing – HVS test, 100 Seed STZ	£75.01	£2.50	£81.01	£2.70
<b>Fee Cost per tonne</b>		<b>£10.01</b>		<b>£10.44</b>
Labels*		£1.00		£1.00
Seals*		£1.00		£1.00
Bags*		£8.00		£8.00
<b>Total cost of Certification per tonne</b>		<b>£20.01</b>		<b>£20.44</b>

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

**CEREAL ONLINE APPLICATION: EXAMPLE OF FINAL GENERATION**

<b>Statutory Service/Function</b>	<b>Fee – 2017 Fees</b>	<b>Cost per tonne of Seed (assuming 30 tonne lot)</b>	<b>Fee 2018</b>	<b>Cost per tonne of Seed (assuming 30 tone lot)</b>
Initial Fee	£4.25	£0.85	£4.04	£0.81
Crop Inspection Fee	£19.14	£3.83	£19.71	£3.94
Seed Lot Fee	£33.00	£1.10	£31.35	£1.05
Sampling Fee	£51.02	£1.70	£52.55	£1.75
Seed Testing – HVS test, 100 Seed STZ	£75.01	£2.50	£81.01	£2.70
<b>Fee Cost per tonne</b>		<b>£9.98</b>		<b>£10.25</b>
Labels*		£1.00		£1.00
Seals*		£1.00		£1.00
Bags*		£8.00		£8.00
<b>Total cost of Certification per tonne</b>		<b>£19.98</b>		<b>£20.25</b>

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

**GRASSES COSTINGS EXAMPLE: FINAL GENERATION (ONLY SCOTS TIMOTHY GROWN AND CERTIFIED IN SCOTLAND (ONLINE APPLICATION))**

<b>Statutory Service/ Function</b>	<b>Fee – 2017 Fees</b>	<b>Cost per tonne of Seed (assuming 30 tonne lot)</b>	<b>Fee 2018 Fees</b>	<b>Cost per tonne of Seed (assuming 30 tone lot)</b>
Initial Fee	£4.25	£3.19	£4.04	£3.03
Crop Inspection Fee	£19.14	£1.91	£19.71	£1.97
Seed Lot Fee	£33.00	£3.30	£31.35	£3.14
Sampling Fee	£51.02	£5.10	£52.55	£5.26
Seed Testing	£76.95	£7.70	£83.12	£8.30
HVS verification	£7.13	N/A	£7.34	£10.44
<b>Fee cost per tonne</b>		<b>£21.20</b>		<b>£21.70</b>
Labels*		£3.20		£3.20
Seals*		£0.00		£0.00
Bags*		£12.00		£12.00
<b>Fee cost per tonne</b>		<b>£36.40</b>		<b>£36.90</b>

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

**GRASSES COSTINGS EXAMPLE: FINAL GENERATION (ONLY SCOTS TIMOTHY GROWN AND CERTIFIED IN SCOTLAND) (PAPER APPLICATION)**

<b>Statutory Service/ Function</b>	<b>Fee – 2017 Fees</b>	<b>Cost per tonne of Seed (assuming 30 tonne lot)</b>	<b>Fee 2018 Fees</b>	<b>Cost per tonne of Seed (assuming 30 tone lot)</b>
Initial Fee	£4.33	£3.25	£4.46	£3.34
Crop Inspection Fee	£19.14	£1.91	£19.71	£1.97
Seed Lot Fee	£33.59	£3.36	£34.60	£3.46
Sampling Fee	£51.02	£5.10	£52.55	£5.26
Seed Testing	£76.96	£7.70	£83.12	£8.30
HVS verification	£7.13	N/A	£7.34	£10.44
<b>Fee cost per tonne</b>		<b>£21.32</b>		<b>£22.33</b>
Labels*		£3.20		£3.20
Seals*		£0.00		£0.00
Bags*		£12.00		£12.00
<b>Fee cost per tonne</b>		<b>£36.52</b>		<b>£37.53</b>

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



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