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|  | | | A4 DAERA Logo process.png | |
|  |  |  | | SUSTAINABLE AGRI FOOD DEVELOPMENT  Agri Food Policy II  Room 144, Dundonald House  Upper Newtownards Road  Ballymiscaw  Belfast BT4 3SB  Telephone: 028 9052 4084  Email: [AgriFood2@daera-ni.gov.uk](mailto:AgriFood2@daera-ni.gov.uk) | |
|  |  | | 08 November 2021 | |

**Dear Stakeholder,**

**Consultation on the possible introduction of mandatory sheep carcase classification and price reporting**

1. The purpose of this consultation is to seek your views on the possibility of introducing *mandatory* sheep carcase classification and price reporting in Northern Ireland in order to help improve fairness and price transparency. This consultation is principally directed at anyone with an interest in the regulation of the sheep sector, or in pricing transparency. We want to know your views about whether it is desirable and also about how practical it would be to operate.

**Background**

1. Following a UK-wide consultation on the remit of the Groceries Code Adjudicator, a recommendation was made by the UK government to introduce mandatory sheep carcase classification across the UK in order to improve fairness and price transparency. Other UK regions, which have already consulted on this proposal, are still considering their approach.
2. Carcase classification and price reporting is already mandatory in Northern Ireland for bovine and pig carcases. These requirements are set out in **The Carcase Classification and Price Reporting Regulations (Northern Ireland) 2018**.

**Detail**

1. In Northern Ireland, the classification and price reporting of beef and pig carcases is mandatory. Currently a voluntary arrangement is in place with abattoirs with respect to sheep. This is a devolved matter and we have flexibility in Northern Ireland whether or not to introduce mandatory arrangements for sheep carcase classification and price reporting under powers provided in the Agriculture Act 2020.
2. Under the current voluntary arrangements, abattoirs follow the (S)EUROP classification system for sheep (set out in **APPENDIX 1**). It would be possible for us to apply this system on a mandatory basis. England, Scotland and Wales could develop their own bespoke classification system should they choose to introduce mandatory arrangements. Therefore respondents are asked to consider whether they would wish any mandatory arrangements intoduced in NI to follow the (S)EUROP system or to follow a potential bespoke classification system that may be introduced in Great Britain at some stage in the future.
3. **APPENDIX 2** shows the potential requirements of a mandatory system, were one to be introduced. Slaughterhouses, above the proposed throughput exemption, are already classifying using the (S)EUROP system. We therefore anticipate the impact being minimal if this system were to be adopted in NI on a mandatory basis. DAERA’s inspectors would continue to implement inspections at abattoirs.

**Throughput Exemption**

1. We are proposing that if a mandatory system were to be introduced, there would be an exemption to mandatory classification and price reporting for abattoirs slaughtering under a certain threshold, for example, fewer than 1,000 sheep per week as an annual average. Under this system, we anticipate that mandatory classification and price reporting would cover over 90% of the annual throughput in Northern Ireland. Abattoirs slaughtering less than the threshold that wished to voluntarily apply the mandatory classification system would be required to meet the requirements of the system, but it is unlikely they would be required to report prices.

**Communication of classification results to the supplier**

1. If a mandatory system were introduced, participating abattoirs would be required to report information, in a usable and understandable format, on the result of classification back to the supplier in a timely manner. This information would help farmers better understand the value of their production systems, helping them to improve productivity.

**Price Reporting**

1. Up-to-date information on prices is beneficial to the sector in helping it to plan and improve. LMC currently receive sheep deadweight price information directly from some abattoirs on a voluntary basis, and from DAERA. The data is published on a weekly basis and provides timely, relevant and accurate pricing data for the industry. If a mandatory system were introduced, all abattoirs that do not meet the throughput exception would be required to report deadweight prices weekly to LMC in an approved format for subsequent publication in an aggregated format that preserves commercial confidentiality. This will provide a standard of classification and therefore price reporting that would allow for level comparison of regional prices.

**Implementation**

1. The information stakeholders provide will help to inform the Department’s decision on whether mandatory classification and price reporting for sheep should be introduced in Northern Ireland. We would like to know the reasons for the answers and comments you give. We also want to know to what extent it is important that we harmonise with the position in other parts of the UK, or with the EU including the Republic of Ireland. For instance, while the Irish Republic uses (S)EUROP, if the other parts of the UK were to develop their own classification system, would you wish to adopt the same system or would you prefer the continued use of (S)EUROP (which can potentially be enhanced over time) on either a mandatory or voluntary basis? We are also interested to what practical implications you think might arise from either of these options.

When making your response it may be worth considering that of the lambs and hoggets produced in Northern Ireland, in 2020 approximately 59% were slaughtered in Northern Ireland while 41% were exported to the Republic of Ireland for slaughter. Of the proportion slaughtered in NI, 58% were marketed in the UK (including NI) while 42% were exported to the EU.[[1]](#footnote-1)

**Enforcement**

1. If a decision were made to introduce mandatory sheep carcase classification and price reporting in Northern Ireland, enforcement would be necessary. We would propose in such circumstances that enforcement measures could be similar to those already in place as regards pig and beef carcase classification and price reporting and would like your views on this proposal.

**Impacts**

1. Section 75 screening and a Rural Needs Impact Assessment have been drafted. These drafts anticipate no adverse impacts will arise as a result of mandatory sheep carcase classification and price reporting being introduced. They can be accessed at the following link: <https://www.daera-ni.gov.uk/consultations/consultation-mandatory-sheep-carcase-classification-and-price-reporting>. No financial implications on the wider business community are foreseen given that abattoirs are already classifying sheep to the (S)EUROP system (see **APPENDIX 1**) and price reporting on a voluntary basis. Consequently the proposal has been screened out from the need for a Regulatory Impact Assessment. Consultees are requested to comment if they envisage any impact as an individual, or on their business or organisation, or any group protected under Section 75. You are also invited to suggest data the Department could collect in the future in order to monitor the impact of the proposal on equality, good relations and disability duties.

**Responding to the Consultation**

1. **You are invited to consider and provide your response on the introduction of mandatory sheep carcase classification and price reporting. Should you find it helpful, a response form is attached at APPENDIX 3; however, you are not required to use this as part of your response.**

DAERA welcomes comments from stakeholders on whether to introduce a mandatory sheep carcase classification and price reporting and on the questions outlined in the response document, or on any other relevant aspect of the possibility.

Please send written responses either to the above address or, preferably, by email, to [AgriFood2@daera-ni.gov.uk](mailto:AgriFood2@daera-ni.gov.uk) no later than **16 January 2021**.

Section 8(e) of the Data Protection Act 2018 permits processing of personal data when necessary for an activity that supports or promotes democratic engagement. Information provided by respondents to this stakeholder engagement exercise will be held and used for the purposes of the administration of this current exercise and subsequently disposed of in accordance with the provisions of the Data Protection Act 2018 and General Data Protection Regulation.

The Freedom of Information Act gives the public a right of access to any information held by a public authority, namely, the Department in this case. This right of access to information includes information provided in response to a stakeholder engagement exercise. The Department cannot automatically consider as confidential information supplied to it in response to a stakeholder engagement exercise. However, it does have the responsibility to decide whether any information provided by you in response to this stakeholder engagement exercise, including information about your identity, should be made public or be treated as confidential. If you do not wish information about your identity to be made public, please include an explanation in your response.

This means that information provided by you in response to the stakeholder engagement is unlikely to be treated as confidential, except in very particular circumstances. The Lord Chancellor’s Code of Practice on the Freedom of Information Act provides that:

* The Department should only accept information from third parties in confidence if it is necessary to obtain that information in connection with the exercise of any of the Department’s functions and it would not otherwise be provided;
* The Department should not agree to hold information received from third parties “in confidence” which is not confidential in nature; and
* Acceptance by the Department of confidentiality provisions must be for good reasons, capable of being justified to the Information Commissioner.

For further information about confidentiality of responses please contact the Information Commissioner’s Office (or see web site at: <http://www.ico.org.uk>).

Yours sincerely



**STEPHEN JOHNSTON**

**SUSTAINABLE AGRI FOOD DEVELOPMENT BRANCH**

**AGRI-FOOD POLICY II**

**APPENDIX 1 (S)EUROP classification system for sheep**

**Conformation classes –** (S), E, U, R, O and P

**The definitions of "carcase" and "half-carcase":**

* "carcase" means the whole body of a slaughtered animal as presented after bleeding, evisceration and skinning.
* "half-carcase" means the product obtained by separating the carcase symmetrically through the middle of each cervical, dorsal, lumbar and sacral vertebra and through the middle of the sternum and the ischiopubic symphysis.

**Categories**

The carcases shall be divided into the following categories (covering all sheep):

a. Carcases of sheep under 12 months old;

b. Carcases of other sheep.

Communication on the results of the classification should be done for all sheep.

**Price reporting**

Information will be collected on date of kill, dressing specification, weight, fat class, conformation, kill number and price.

**Classification**

The carcases shall be classified by successive assessment of: Conformation, defined as follows:

* Development of carcase profiles, in particular the essential parts (hindquarter, back, shoulder)

**Conformation class and Description**

**S Superior** – All profiles extremely convex; exceptional muscle development (double muscled carcase type).

**E Excellent** – All profiles convex to super-convex; exceptional muscle development.

**U Very good** – Profiles on the whole convex, very good muscle development.

**R Good** – Profiles on the whole straight; good muscle development.

**O Fair** – Profiles straight to concave; average muscle development.

**P Poor** – All profiles concave to very concave; poor muscle development.

**Fat cover**

1. Low – None up to low fat cover.
2. Slight – Slight fat cover, flesh visible almost everywhere.
3. Average – Flesh with the exception of the hindquarter and shoulder, almost everywhere covered with fat, slight deposits of fat in the thoracic cavity.
4. High – Flesh covered with fat, but on the hindquarter and shoulder still partly visible, some distinctive fat deposits in the thoracic cavity.
5. Very high – Entire carcase covered with fat; heavy deposits in the thoracic cavity.

**Presentation**

Carcases and half-carcases shall be presented without the head (severed at the atlantooccipital joint), the feet (severed at the carpometacarpal or tarso-metatarsal joints), the tail (severed between the sixth and seventh caudal vertebrae), without the udder/cod fat, genitalia, the liver and the pluck. Kidneys and kidney fat are included in the carcase.

**Weighing**

The animal must be weighed according to the specification above to the nearest 100g.

The weight to be taken into account must be the warm weight of the carcase taken not later than one hour after the animal has been stuck (i.e. at the point of slaughter). The cold weight of the carcase must correspond either to the warm weight less 2% (as per beef/pigs) or the hot weight rebates of 25.5 kg & under = 0.5kg, and over 25.5kg = 1kg.

**Identification of carcases**

Classified carcases and half-carcases shall be identified by marking or labelling.

**APPENDIX 2**  **Details of the potential requirements for mandatory sheep carcase classification**

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| **Potential requirements of a mandatory ~~s~~ystem** | **Implementation requirements that would**  **apply (and likely delivery bodies)** |
| All sheep carcase classifiers to be licensed by the competent authority; there must also be a competent authority process for withdrawing the licence and for appeals. | DAERA’s responsibilities will be extended to cover mandatory sheep classification. |
| Abattoirs must ensure that sheep are presented for classification in line with the detailed requirements for presentation set out in the Regulation (adhering to the dressing specifications, offal removed etc.). | Responsibility of abattoir, verified by DAERA in on-the-spot checks. |
| Classification for fat and conformation must be carried out and the animal graded according to the classification grid | Responsibility of classifier, verified by DAERA in on-the-spot checks. |
| The recorded market price must be that paid to the supplier, net of VAT and expressed per kilo of carcase weight. It must be the cold weight and where necessary, the specified corrective factors should be applied to calculate the price. | Responsibility of abattoir. |
| On-the-spot checks must be carried out by an independent party (or the competent authority) to verify that classification is being carried out correctly. There is a minimum throughput threshold for these checks and for sheep they are required to take place at abattoirs where 1000 sheep per week or more are slaughtered (based on an annual average). | Conducted by DAERA. |
| Video Imaging Analysis (VIA) machines – where these are used they must be authorised by the competent authority following an authorisation test. | Responsibility of abattoir, verified by DAERA during testing, installation and ongoing checks. No sheep VIA machine has been approved for use in UK at this point. |
| Classification and price reporting - the classification results and prices must be reported by the abattoirs subject to on-the- spot checks to the central competent authority. | Responsibility of abattoir to report classification results and prices, verified by DAERA. |

**APPENDIX 3**

**Consultation Response Form**

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| **Your name:**  **Organisation (if applicable): email / telephone number: Your address:** |

### **General Questions**

**Please choose which of these best represent you:**

* A producer
* A processor
* Other (please specify)

### **Question 1**

**Are you in favour of mandatory sheep carcase classification and price reporting in Northern Ireland?**

* **Yes / No**
* **Comments:**

### **Question 2**

**If mandatory sheep carcase classification and price reporting were to be introduced, would you be in favour of continuing to use the EU’s (S)EUROP Grid sheep carcase classification system or using an alternative system that Great Britain may choose to develop instead?**

* **(S)EUROP / Alternative Great Britain system (if any)**
* **Comments:**

### **Question 3**

**To what extent would it be important that we harmonise with the classification regimes that operate other parts of Great Britain, or with the EU (including the Republic of Ireland)? What do you think would be the potential impacts if Northern Ireland were to continue to use a classification system different to that operating in Great Britain, or different to that operating in the Republic of Ireland?**

* **Comments:**

### **Question 4**

**We propose an exemption for abattoirs with a throughput of fewer than 1,000 sheep per week as an annual average. Do you believe this threshold is set at the correct level?**

* **Yes / No**
* **Comments:**

### **Question 5**

**If a mandatory system were introduced, we would propose that enforcement procedures could be similar to those already in place for pig and beef carcase classification and price reporting. Would you agree that this would be suitable?**

* **Yes / No**
* **Comments:**

**Question 6**

**Do you agree with the Department’s view that the proposal will have no impact on, nor represent any opportunities to improve on equality for any Section 75 categories, and have no negative rural or economic impacts? Please provide any evidence that supports your view.**

Please enter here:

**Question 7**

**Do you believe that the proposal is likely to impact you, your business or organisation? If so, please detail what you think the likely impact will be.**

* **Yes / No**
* **Comments:**

**Question 8**

**Do you have any suggestions as to what data the Department could collect in the future in order to monitor the impact of the proposal on equality, good relations and disability duties?**

* **Yes / No**
* **Comments:**

**Any other comments:**

1. NIMEA export data and DAERA slaughter and export data January 2021 [↑](#footnote-ref-1)