

Doc 2

**Explanatory Memorandum to the Red Meat Industry (Wales) Measure 2010
(Amendment) Order 2011**

This Explanatory Memorandum has been prepared by the Department for Business, Enterprise, Technology and Science and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Red Meat Industry (Wales) Measure 2010 (Amendment) Order 2011.

Alun Davies AM

Deputy Minister for Agriculture, Food, Fisheries and European Programmes, under authority of the Minister for Business, Enterprise, Technology and Science, one of the Welsh Ministers.

8 November 2011

Description

- 1.1. The purpose of this Statutory Instrument is to amend two paragraphs in the Schedule 2 of Red Meat Industry (Wales) Measure 2010 and so increase the maximum rate of levy that may be charged for the production and slaughter/ export components of the red meat levy.

Matters of special interest to the Constitutional and Legislative Affairs Committee

- 2.1 There are no issues of special interest in this Statutory Instrument.

Legislative Background

- 3.1 The Welsh Ministers may make the proposed Statutory Instrument in exercise of powers conferred by sections 5(4) and 17 of the Red Meat Industry (Wales) Measure 2010 through the affirmative procedure.

Purpose and intended effect of the legislation

- 4.1 The fundamental purpose of this Statutory Instrument is to amend the Schedule to the Measure which sets the maximum rates of levy that may be charged on the red meat industry in Wales.
- 4.2 Currently the actual levy rates are set by the Welsh Levy Board. Where the proposed rate exceeds the maximum set out in the Welsh Levy Board Order 2008 Ministerial consent is required.
- 4.3 From 1 April 2012 the levy rate will be set annually by the Welsh Ministers. The rate must be set in accordance with the provisions made in the Measure and so any increases beyond the maximum value would require the Schedule to the Measure to be amended, by affirmative procedure, annually. This proposed Statutory Instrument would set the proposed maximum rates are based on current rates plus increases that take account of anticipated inflation over the next ten years thereby avoiding the need to amend the Schedule each year.
- 4.3 The Measure sets some basic parameters in respect of the levy, namely;
- Money raised in each sector (cattle, sheep and pigs) must be spent for the benefit of that sector and so the promotion of the sector will be proportionate to its importance to the agriculture industry in Wales.
 - The money raised can only be spent on the development and promotion of these three sectors in the red meat industry, for example, it cannot be spent on the promotion of general agricultural produce from Wales nor could it be spent on general research and development.

Consultation

- 5.1. No specific consultation has been entered into for this Statutory Instrument because this is one step in a process that started in 2006 when detailed and extensive consultation with the industry and other interested parties was undertaken as part of the Radcliffe Report on the Review of the UK Levy Bodies.
- 5.2. The recommendations in the report on the Radcliffe Review of the levy bodies were subject to wide consultation. Respondents from the meat sector were wholly supportive of the idea of having a Welsh red meat levy-raising body directly accountable to the then Welsh Assembly Government rather than directly accountable to the UK Levy Board - AHDB. The idea was accepted by all the main players including NFU Cymru, HCC, Welsh Lamb & Beef Producers Ltd. and Farmers' Union of Wales.

Regulatory Impact Assessment (RIA)

- 6.1. A Regulatory Impact Assessment is not required for this Statutory Instrument.
- 6.2. The proposed Statutory Instrument simply amends the tables in an existing Measure and so will set the maximum amount of levy that may be charged in future. The proposed amounts are based on current rates plus increases that take account of anticipated inflation over the next ten years.
- 6.3. The proposed Statutory Instrument would not give rise to any other administrative, compliance and/or other costs.