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DATE: 15 JANUARY 2026

TO: DR. JANICE THOMPSON
AERA COMMITTEE CLERK

The Sheep Carcase Classification and Price Reporting Regulations (Northern Ireland) 2026

Summary: Statutory Rule (SR) to introduce mandatory sheep carcase classification and price reporting in Northern Ireland

Business Area: Sustainable Agri Food Development Division

Issue: Statutory Rule (SR) to introduce mandatory sheep carcase classification and price reporting in Northern Ireland

Restrictions: Not required

Action Required: That you note and consider the contents of this SL1, the attached draft Statutory Rule and Explanatory Memorandum.

Officials Attending: Dr Samantha Stewart, Head of Food Security, Beef, Sheep and Pig Policy.
Mr Kieran Coghlan, Deputy Principal, Food Security, Beef, Sheep and Pig Policy.

Background

The Department of Agriculture, Environment and Rural Affairs proposes to make the above named Statutory Rule under powers conferred on it by section 48 of and sub-paragraphs 10(2), 15(1) and (2) and 18(1) and (2) of Schedule 6 to the Agriculture Act 2020.

The Statutory Rule is subject to affirmative resolution procedure.

Purpose of legislation/policy background

The Statutory Rule will make classification of sheep carcases aged less than 12 months and price reporting of the same mandatory in Northern Ireland for all slaughterhouses which slaughter at least 1,000 sheep per week as a rolling annual average.

The SR sets out the particulars of how carcases must be presented, weighed and classified, both by visual means and if using an automated apparatus. The SR sets out a licensing regime including the Department granting licenses and by what means they may be revoked, suspended or altered. It also explains the process for authorising automated systems to ensure they are classifying accurately. These Regulations include identification and labelling requirements for carcases to which they apply to ensure traceability of data back to the sheep from which carcases are obtained. Finally, the SR details inspections, powers of entry and enforcement procedures which may be carried out via either enforcement notice or prosecution at a magistrate's court.

Following a UK-wide consultation by the Groceries Code Adjudicator, it was recommended that mandatory sheep carcase classification be introduced across the UK in order to improve fairness and price transparency to producers. It is also important that sheep meat producers get a fair price for their product.

While consideration was given to the possibility of retaining the existing voluntary system, this was discounted as it would not provide the consistency and transparency to all sectors of the industry which a mandatory system would provide, it would not provide the Department with necessary enforcement powers to ensure high standards, it would leave the sheep sector out of step with beef and pig sectors and NI would differ from the rest of the UK. It was therefore decided to introduce a mandatory option via legislation using domestic powers provided in the Agriculture Act 2020 ('the 2020 Act').

The intention for this legislation was that it would ensure that the market operates with greater transparency so that producers will understand whether they are receiving a fair price for their slaughtered animals. The goals of the mandatory system are to: align the sheep industry with that of beef and pig; allow for easier comparisons of the NI and GB sheep industries; improve fairness and price transparency in the UK sheep industry; and provide enforcement powers to the Department to ensure a high level of accuracy. This SR was drafted accordingly.

The main options selected within the SR are that:

- The new requirements would only apply to sheep aged less than 12 months in age – this makes practical sense as after 12 months it is necessary to remove the spinal cord from a sheep carcase, meaning it cannot be classified by the same method;

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- Only abattoirs slaughtering at least 1,000 sheep per week as a rolling annual average, or those who slaughter fewer than this but choose to classify sheep carcases, will be required to follow the requirements. This number differs from that used by England and Wales (2000) and Scotland (500) to reflect the different scale of processing in NI. It is estimated that over 90% of sheep slaughtered in NI will be captured by setting this figure at 1,000 whilst avoiding adding additional regulatory and administrative burdens on smaller abattoirs.
- Classification may be done by visual means (involving a person looking over the carcase to assess its classification) by a person licensed by the Department or by automated means involving hardware and software which has been authorised by the Department. This is consistent with beef carcase classification and allows for innovation in the sheep processing sector while providing for government oversight to ensure transparency and consistency. Provisions relating to automated classification methods come into force later than the rest of the Regulations. This delay is necessary to collect the necessary robust data sample to be able to assess and authorise automated classification methods under the mandatory scheme. There are currently no automated methods used in the sheep industry in NI.
- Carcases must be presented for classification using the EU standard with the head, feet and tail removed at the proper place and the udder, genitalia, liver and pluck also removed. Nothing else may be removed from the carcase except for veterinary reasons. While the GB administrations are allowing an alternative specification of carcase presentation, this alternative has never been used in NI, nor was the idea of introducing it here suggested at consultation, so it would not make sense to allow it here;
- Classification of carcases will be based on shape (conformation classes each designated by one of the following letters: SEUROP), and fatness (fat classes designated on a numeric 1 to 5 assessment). The Regulations will allow confirmation and fat cover to be further subdivided into Low ("‐"), Medium ("=") and High ("+"). If these subdivisions are not applied, fat cover class 4 may be subdivided into subclasses Low ("L") and High ("H"). The meat industry is familiar with this carcase classification scale through the mandatory schemes for beef carcases, and the larger abattoirs were already using it when operating voluntary classification systems for sheep carcases. Stakeholders supported the use of this system in their response to the public consultation;
- The carcase must be weighed soon after slaughter to calculate the hot weight. The cold weight must then be calculated by subtracting 2%; aligning with beef and pig sector process. This differs from the current practice of subtracting 0.5kg from the hot weight and therefore will require software changes for processors, however it provides for a more accurate cold weight and is consistent with the rest of the UK;
- Labelling and record keeping will require the details of the weighing and classification as well as the category (lamb, hogget or ewe). Records must also record the ear tag number which is a change from current practice but allows for easier verification of data;

- Details of classifications must be provided to the animal supplier and the Livestock and Meat Commission (LMC) – again this includes ear tag numbers which will be useful for purposes of verifying data;
- For sheep purchased on a deadweight basis, the prices must also be reported to the supplier and LMC – this will allow for market transparency and analysis. Limiting the price reporting to deadweight purchases will avoid the risk of double-counting as sheep sold on a liveweight basis can be sold again on a deadweight basis;
- The Department will have powers to monitor and enforce. Slaughterhouses will receive unannounced visits from DAERA inspectors (expert classifiers) on a risk-based frequency. These inspections will look for potential breaches of the regulations, mainly in regard to carcase dressing, classification and weighing as well as licences, record-keeping, labelling and reporting. It will also be considered a breach not to comply fully with these inspections. Any breaches can result in the Department issuing a warning letter or an enforcement notice. Failure to adhere to these could lead to DAERA seeking prosecution at a Magistrates' Court. The Department also will have the right to amend, alter or revoke licences in cases of poor compliance. While the English and Welsh legislation allows for the use of penalty charge notices instead of prosecution via Magistrates Court, this would be inconsistent with enforcement for beef and pig in NI and so this option was not included here. The SR allows for appeals against enforcement proceedings.
- Similar to the beef scheme, the Livestock and Meat Commission (LMC) will collate the information provided, report to the Department accordingly and publish some of the details, respecting commercial confidentiality.

We consider the risks to be minimal as much of what the SR requires is already being done voluntarily and there has been communication and engagement with stakeholders regarding the changes that will be introduced such as the requirement for consistent carcase presentation, the new hot-cold coefficient and the need to include ear tag numbers in records and reports to the supplier and LMC. While we would expect a certain bedding-in period for the new requirements, we would not expect there to be cause for significant enforcement proceedings, similar to the current situation with the beef and pig industries.

Previous Engagement with the Committee

A paper on the outcome of consultation on implementation of mandatory sheep carcase classification was considered at the Committee meeting of 20 February 2025. This SR is consistent with the plans for implementation contained in that paper. The Committee agreed to hear an oral briefing from the Department in due course.

Financial Implications

The mandatory system will create costs for the Department. There will be a need for additional inspections; licensing of classifiers; and collection, analysis and publication of price data. There will also be a need to take part in authorisation of automated carcase classification methods.

Under paragraph 9 of Schedule 1 of the Livestock and Meat Commission Act 1967 the Department will instruct LMC to carry out the collection, analysis and publication of the price data on the Department's behalf. There will be some additional requirements to LMC in terms of additional staff needed to collate and publish price data to the same level they currently do for beef. The cost will be £65k per year to the Department with an annual uplift in line with the consumer price index and work is ongoing to agree a Service Level Agreement. The budget has been approved from the Executive Ear-Marked budget up to 2029/30.

Additional inspections for DAERA would likely cost about £2k a year. Discussions are ongoing with England, Scotland and Wales officials in terms of how automated machines will be authorised across the UK. These costs will be funded from Veterinary Service and Animal Health Group Resource DEL baseline funding.

Costs to industry are estimated at about £750 per year in staffing costs plus a possible initial cost to upgrade IT systems.

If the SR were not implemented, there would still be some costs to the Department for inspections and audits under the voluntary system (estimated less than £1k per year).

Consultation

A full public consultation was run from 8 November 2021 to 16 January 2022 to seek views on introducing a mandatory system. There were three responses, two in favour of introducing a mandatory system while the other was opposed. The consultation documents and Departmental response are available [here](#).

A further targeted consultation ran from 5 February 2024 to 5 April 2024 to clarify a few points not covered in the previous consultation, including around authorisation of automated classification. This further consultation also had three responses, two broadly in favour of the proposals while the other was broadly opposed. The consultation documents and Departmental response are available [here](#). The Department provided the Committee with written briefing at its meeting on 20 February 2025.

Compliance with Section 24 of the Northern Ireland Act 1998

The SR does not have any human rights implications nor is it incompatible with EU Law and is therefore deemed to comply with the requirements of section 24 of the NI Act 1998.

Consideration by the Executive

The SR was considered by the Executive as it includes new provisions for prosecution and fines where there has been failure to adhere to the requirements and therefore affects (more than incidentally) the exercise of the statutory responsibilities of the Department of Justice. On 17 December 2025, the Executive agreed to the laying of the SR at the Assembly.

Equality Impact

In accordance with the Department's obligations under Section 75 of the Northern Ireland Act 1998, the Department has considered equality impacts. The SR is largely making the current voluntary practices mandatory. Available data suggested no particular impact under human rights articles, on any S75 groups or any opportunity for promoting good relations between them. Stakeholders were invited to provide any comments on these considerations during

both consultations and none were provided. Therefore the need for a full Equality impact Assessment was screened out.

Regulatory Impact

There will be no impact on the private, voluntary or public sector as a result of this SR. The Regulatory Impact Assessment suggested little impact. Most of the costs will be to the Department with the costs to industry considered negligible as much of what the mandatory system will require is already being carried out voluntarily. There will be an initial outlay for licensing of staff which is estimated at less than £1,000 in total across industry plus a further cost for allowing inspections which will be an annual cost of around £275 plus inflation across all applicable slaughterhouses.

Rural Needs Impact

Sheep carcase classification and price reporting relates to organisations and individuals in the sheep/lamb supply chain, especially processors (abattoirs). The introduction of mandatory carcase classification and price reporting for sheep would help ensure transparency along the sheepmeat supply chain.

Introducing mandatory carcase classification and price reporting for sheep will have minimal impact as the practice is already ongoing on a voluntary basis. No additional rural needs are likely to come of it.

Data Protection Impact

Operators would notify the Department that the Regulations apply to their premises and the Department may grant licenses to individuals in order to classify carcasses. This personal information would be held in accordance with the Department's privacy statement.

Child Rights Impact

The SR will not impact children so there was no need for a Child Rights Impact Assessment to be carried out.

Position in Great Britain (if appropriate).

This measure will create close parity with England, Scotland and Wales. England, Scotland and Wales have already introduced mandatory sheep carcase classification and price reporting legislation in their administrations. There are differences in the numbers of sheep slaughtered per week to fall under the mandatory system between NI and Scotland, England and Wales to reflect the respective differences between the sheep markets in those administrations.

In Scotland, failing to comply with a compliance notice or obstruction of an authorised officer are offences leading to summary conviction to a fine not exceeding level 5 on the standard scale. In England and Wales, Penalty Charge Notices may be employed where there is a breach of the legislation whereas in Northern Ireland prosecution at a magistrates' court will be employed instead. This will keep enforcement regarding sheep classification and price reporting consistent with that of the beef and pig sectors in Northern Ireland.

Any other information

In the Republic of Ireland, the requirement to classify carcases and report prices operates on the voluntary basis following the standards set out in relevant EU legislation which are equivalent to that proposed in this SR.

Proposed timing of consideration of the SL1

The SL1 has been submitted to the Committee in accordance with the minimum four-week timeframe. It is proposed that the Committee consider the SL1 on 26 February 2026.

Proposed Operational Date

Subject to plenary time, it is proposed that the rule will come into operation on the following dates:

From 30 March 2026, operators of the slaughterhouses to which the legislation applies will have 28 days to notify the Department of such and obtain licences for their staff to classify sheep carcases;

From 27 April 2026, operators of the slaughterhouses to which the legislation applies will have to do the following for the carcases of all sheep slaughtered which are aged less than 12 months:

- carcases will have to be presented according to the prescribed specification;
- carcases must be weighed within 60 minutes of slaughter and classified according to the (S)EUROP system;
- details of the classification must be provided to the supplier of the animal; and
- if purchased on a deadweight basis, these details along with the market price must be provided to the Livestock and Meat Commission.

From 24 May 2027, applications can be made for authorisation of the use of automated sheep carcase classification methods.

The draft of the proposed Statutory Rule and Explanatory Memorandum are attached, and you will wish to bring this matter to the attention of the Committee for Agriculture, Environment and Rural Affairs.

This SL1 is being copied to the Human Rights Commission, Equality Commission and Assembly & Legislation Section of The Executive Office.

Yours sincerely,



Paul McGranaghan
Departmental Assembly Liaison Officer

Enc.

**Cc: Assembly & Legislation Section (Executive Office)
Human Rights Commission
Equality Commission**

- Annex A: The Sheep Carcase Classification and Price Reporting Regulations (Northern Ireland) 2026 Statutory Rule**
- Annex B: The Sheep Carcase Classification and Price Reporting Regulations (Northern Ireland) 2026 Explanatory Memorandum**
- Annex C: Equality Screening document**
- Annex D: Rural Needs Impact Assessment**
- Annex E: Regulatory Impact Assessment**

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