

EXPLANATORY MEMORANDUM TO
Sheep Carcase Classification and Price Reporting Regulations (Northern Ireland) 2026

S.R. 2026 No. xxx

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Agriculture, Environment and Rural Affairs (the Department) to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under 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 and is subject to the draft affirmative resolution procedure.

2. Purpose

- 2.1. The purpose of the SR is to make classification of sheep carcases aged less than 12 months and price reporting of the same to be mandatory in Northern Ireland for all slaughterhouses which slaughter at least 1,000 sheep per week as a rolling annual average. Slaughterhouses which slaughter less than this but wish to classify carcases must comply with the SR.
- 2.2. The SR requires all slaughterhouses which either slaughter at least 1,000 sheep per week as a rolling annual average or slaughter less than this, but wish to classify carcases, to notify the Department that the Regulations apply to them. 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 how licences to classify can be applied for 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. Price and classification details must be provided to the supplier of the animal and to the Department or its representative. 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.

3. Background

- 3.1. Currently, classification and price reporting are done on a voluntary basis following common practice across the UK and the EU. Following a UK-wide consultation on the remit under 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. A mandatory system will: 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 will provide enforcement powers to the Department to ensure a high level of accuracy. The administrations in England, Scotland and Wales also intend to introduce mandatory systems.

4. Consultation

- 4.1. 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.
- 4.2. 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 a round authorisation of automated classification. This further consultation also had three responses, two broadly in favour of the proposals while the other was broadly opposed.

5. Equality Impact

- 5.1. The SR is largely making the current voluntary practices mandatory. Available data suggested no particular impact on under human rights articles or any S75 groups and any opportunity for promoting good relations between them. Stakeholders were invited to provide any S75 considerations during both consultations and none were provided. Therefore the need for a full Equality impact Assessment was screened out.

6. Regulatory Impact

- 6.1. 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.

7. Financial Implications

- 7.1. 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 caracse classification methods.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. Nothing in the SR contravenes Section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Powers to make this SR come from the Agriculture Act 2020 and do not fall under Annex 2 of the Windsor Framework.
- 9.2. Sheep carcase classification and price reporting is done on a voluntary basis across the EU though individual Member States may choose to introduce mandatory systems if they so wish. There is currently no intention of introducing a mandatory system in the Republic of Ireland.
- 9.3. The (S)EUROP system of classification mandated by the SR is the common practice across the EU and should allow for easy comparisons between the UK and EU markets.

10. Parity or Replicatory Measure

- 10.1. This measure will create parity with England, Scotland and Wales which are also intending to introduce mandatory sheep carcase classification and price reporting in their administrations.
- 10.2. The SR will require mandatory sheep carcase classification and price reporting mandatory for all abattoirs in Northern Ireland which slaughter at least 1,000 sheep per week as a rolling annual average. In England and Wales, the mandatory system will only apply to slaughterhouses which slaughter at least 2,000 sheep per week as a rolling annual average while in Scotland it will apply to those who slaughter at least 500. This reflects respective differences between the sheep markets in those administrations.
- 10.3. 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 beef and pig sectors in Northern Ireland.

11. Additional Information

- 11.1. Not applicable.