EXECUTIVE NOTE

THE DAIRY PRODUCE QUOTAS (SCOTLAND) AMENDMENT REGULATIONS 2007 SSI/2007/118

POWERS

1. The above Instrument was made by the Scottish Ministers in exercise of the powers conferred by section 2(2) of the European Communities Act 1972.

PARLIAMENTARY PROCEDURE

2. This SSI is subject to the negative resolution procedure.

POLICY OBJECTIVE

3. The purpose of these Regulations is to make minor amendments to the Dairy Produce Quotas (Scotland) Regulations 2005 (DPQR), as amended by the Dairy Produce Quotas (Scotland) Amendment Regulations 2006.

BACKGROUND

4. The milk quotas system is subject to Community law. Under the system all Member States are allocated a national milk quota. If in a quota year production exceeds the quota, then all over-quota producers have to pay a levy on their over-production. Administration of the quota system is complex and is carried out in the UK by the Rural Payments Agency (RPA).

5. The changes are necessary to implement changes made by Commission Regulation 1468/2006 amending Commission Regulation 595/2004. Further changes have been made to improve the drafting of the Dairy Produce Quotas (Scotland) Regulations 2005, and to extend and harmonise an administrative deadline.

6. The Community legislation is implemented in Scotland by the Dairy Produce Quotas (Scotland) Regulations 2005. Commission Regulation 1468/2006 introduces changes to the quota system, most of which must be reflected in the Regulations. Briefly, the changes are; the date by which any levy must be paid to the RPA to avoid interest charges being incurred will be 30 September instead of 1 September; the rules on the procedures governing the submission of production data by wholesale purchasers and direct sellers of milk are clarified; and small-scale direct sellers are exempted from some record-keeping requirements.

7. Other amendments put back the date for notifying the RPA of the transfer of quota by lease of land from 1 March to 31 March in line with the deadline for the notification of other types of quota transfer with land, and improve the drafting of the Regulations. Most of the amendments are to the benefit of the dairy sector although their actual impact will be minimal.

CONSULTATION

8. We have not carried out a formal consultation as the proposed changes are either mandatory or relax the current rules. The changes have, however, been publicised on the Scottish Executive Environment and Rural Affairs Department's website and Scottish dairy stakeholders informed. In addition, the RPA holds regular meetings with the trade and sends out information letters at the start of each quota year to all milk producers and purchasers. These channels will also be used to explain the changes.

FINANCIAL IMPLICATIONS

9. A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business.

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