



Animal &
Plant Health
Agency

Seed Certification Fees Refresh in England and Wales

Information Paper

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Introduction

It is UK Government policy to charge for many publicly provided goods and services. The standard approach is to set fees to recover the full costs of service delivery and to review these fees on a regular basis (either annually or bi-annually as required) to relieve the general taxpayer of costs, so that they are properly borne by users who benefit from a service. This allows for a more equitable distribution of public resources and enables lower public expenditure and borrowing.

Plant Varieties and Seeds services, including seed certification, operate in line with this principle of full cost recovery. For various reasons, a review of seed certification fees has not been conducted since 2014. Therefore, in line with government policy the fees must be adjusted to ensure no under, or over, recovery of costs (Managing Public Money, HM Treasury, March 2022).

These changes are immediate measures to ensure that the full costs of the services provided are reflected in the fees. A wider review of seed certification fees in England and Wales is planned in the next few years to take account of the wide-ranging changes to this service. Seed certification fees will also be regularly reviewed (either annually or bi-annually as required) to ensure fees remain reflective of service delivery costs.

The changes will take effect from 9 January 2023.

Seed Certification Fee Changes

Seed certification is a statutory quality assurance process which ensures that seeds are sufficiently pure, healthy, viable, and correctly labelled. Marketed seed must be:

- certified in line with legislative requirements,
- produced through a defined generation system, meeting specified quality standards,
- and correctly packaged, labelled and sealed.

In England and Wales, this service is administered by APHA on behalf of Defra and Welsh Government.

The marketing of seeds of the main agricultural and vegetable species in England is regulated by the [Seed Marketing Regulations 2011](#) (England) and in Wales by the [Seed Marketing \(Wales\) Regulations 2012](#), where it is provided at [Regulation 29](#) – “The Secretary of State may charge a reasonable fee for anything done under these Regulations” and “The Welsh Ministers may charge a reasonable fee for anything done under these Regulations” respectively.

APHA have conducted a fees refresh for chargeable activities and associated fees for seed marketing services. The current fees create a subsidy to users of the service and a cost to the taxpayer, requiring government intervention to achieve full cost recovery (FCR). The objective of this policy is to remove the subsidy for seeds marketing statutory services. The intended effect is more efficient use of public resources by transferring the full cost of service provision from the general taxpayer to the direct beneficiaries of the service (seed companies) and move toward FCR, in line with government policy (Managing Public Money, HM Treasury, March 2022).

The following seed certification service delivery costs have been included in the seed certification fees refresh to relieve the general taxpayer of costs so that they are properly borne by users who benefit from a service, thereby allowing a more equitable distribution of public resources and enabling lower public expenditure and borrowing:

- **IBM Electronic Seeds Programme (ESP)** - The [online application system](#) for seed certification services (see Table 1 and Table 2).
- **Control sample cost** - The cost of control samples (Plant Health and Seed Inspectorate (PHSI) & Official Seed Testing Station (OSTS)) (see Table 5 and Table 6).
- **Seed audit work** - Seed audit work is carried out by PHSI on behalf of Defra and Welsh Government. PHSI carry out an audit at seed firms of licenced seed samplers to ensure they are conducting their work correctly (see Table 5 and Table 6).

As the number of Seed Certification chargeable activities are static, 2021 volumes have been used in all calculations throughout the document to provide a prediction for the expected volume of work in 2022, in order to recover the full costs of service delivery.

Table 1. Annual ESP Charge from IBM

The price per transaction is calculated by dividing the ESP annual charge from IBM by the total number of ESP transactions per year. The price per transaction is brought across to table 6 to calculate the total administration cost for crop entry and table 8 to calculate the total administration cost for seed lot fees.

	ESP IBM Costs
ESP Annual Charge From IBM	£271,303
Number of ESP Transactions per year	44910
Price Per Transaction (ESP Annual Charge From IBM / Number of ESP Transactions)	£6.04

Table 2. Annual ESP Maintenance Charge from NIAB

The price per transaction is calculated by dividing the ESP annual maintenance charge from NIAB by the total number of ESP transactions per year. The price per transaction is brought across to table 6 to calculate the total administration cost for crop entry and table 8 to calculate the total administration cost for seed lot fees.

	ESP Costs
ESP Cost From NIAB Contract	£41,280
Number of ESP Transactions	44910
Price Per Transaction (ESP Cost From NIAB Contract / Number of ESP Transactions)	£0.92

Table 3. APHA Staff Costs

The staff cost for APHA is based on APHA HM Treasury approved charge out rates. The unit cost is calculated by dividing the total APHA staff cost by the total volume per year. The unit cost is brought across to table 6 to calculate the total administration cost for crop entry and table 8 to calculate the total administration cost for seed lot fees.

APHA Staff Work Area	Total Cost	Volume	Unit Cost (Cost / Volume)
CI Crop Entry	£79,906	16200	£4.93
PB/B Crop Entry	£39,953	1400	£28.54
PB/B Temp Crop Entry	£26,635	400	£66.59
CI Seed Lot Fee	£79,906	24258	£3.29
PB/B Seed Lot Fee	£39,953	2652	£15.07

Table 4. PHSI Crop Inspection Time & Costs

The cost for PHSI is based on APHA HM Treasury approved charge out rates for the relevant grades multiplied by inspection time. The cost per crop is calculated by dividing the total cost by the total number of crops inspected per year. The cost per crop is brought across to table 6 to calculate the total administration cost for crop entry.

	PHSI Crop Inspection Costs
Total Cost	£156,084
Total Crops	671
Cost Per Crop (Total Cost / Total Crops)	£233

Table 5. NIAB Technical Services Contract (TSC) Lot 6 Costs & PHSI Time for taking Control Samples Pro-Rata Over NIAB TSC Lot 5 Seed Lot Fees

The cost for PHSI is based on APHA HM Treasury approved charge out rates for the relevant grades multiplied by inspection time. The Total Lot 6 Loading is brought across to table 8 to calculate the total administration cost for seed lot fees.

The Secretary of State for Defra and Welsh Government, following a competitive tender process conducted in accordance with the Public Contracts Regulations 2015, entered an agreement with NIAB to provide seed certification services in England and Wales in accordance with the TSC. NIAB's charges are set out in the TSC under Lot 5 ("Contract for the provision of Seed Certification Services in England and Wales") and Lot 6 ("Contract for the provision of Seed Testing Services in England Wales").

	Price charged by NIAB	Volume	Total (Price charged by NIAB x Volume)	Cert 7 Volume	Unit Cost (Total / Cert 7 Volume)
NIAB Price Reserve Sample	£142.42	622	£88,585	13410	£6.61
NIAB Price PHSI Sample	£142.42	440	£62,665	13410	£4.67
PHSI Cost/Sample	£343.91	440	£151,321	13410	£11.28
PHSI Training	£7,500.00	1	£7,500	13410	£0.56
Total Control Sample Loading			£310,071	13410	£23.12
Lot 6 Costs & PHSI time taken on Seeds Enforcement Work			£151,321	13410	£11.28
Total Lot 6 Loading to be applied (Total Control Sample Loading Cost + Total PHSI Charge Cost)					£34.41 (£23.12 + £11.28)

Table 6. Administration Costs for Crop Entry

The table shows the total administration cost for 'Crop Entry CS C1 C2 C3', 'Crop Entry PB/B', and 'Crop Entry PB/B Temp' as calculated using individual crop entry costs multiplied by volume, including ESP IBM Charges (see Table 1), ESP Charges (see Table 2), APHA Staff Costs (see Table 3), PHSI Inspector Time (see Table 4), and NIAB's set costs, as set out in the TSC*. The total costs for 'Crop Entry CS C1 C2 C3', 'Crop Entry PB/B', and 'Crop Entry PB/B Temp' are brought across to table 7 to determine the total administration cost for crop entry services.

	Action	Cost	Volume	Total Administration Cost (Cost x Volume)
Crop Entry CS C1 C2 C3	ESP IBM Charge (See Table 1)	£6.04	16200	£97,865
	ESP Charge (See Table 2)	£0.92	16200	£14,891
	APHA Staff Costs (See Table 3)	£4.93	16200	£79,906
	PHSI Inspector Time (See Table 4)	£233.00	299	£69,552
	Check Inspections*	£374.10	126	£47,137
	Control Plots*	£85.09	2400	£204,216
	Cert 3 Paper Check *	£6.24	1045	£6,521
	Seed Crop Entries (Cert 2)*	£6.24	8100	£50,544
	Cert 3 Entries*	£6.24	8100	£50,544
Total				£621,175
Crop Entry PB/B	ESP IBM Charge (See Table 1)	£6.04	1400	£8,457
	ESP Charge (See Table 2)	£0.92	1400	£1,287
	APHA Staff Costs (See Table 3)	£28.54	1400	£39,953
	PHSI Inspector Time (See Table 4)	£233.00	370	£86,067
	Admin Fee for PHSI Crops*	£121.78	370	£45,059
	Official Inspections*	£374.10	330	£123,453
	Control Plots*	£85.09	700	£59,563
	Cert 3 Paper Check*	£6.24	700	£4,368
	Seed Crop Entries (Cert 2)*	£6.24	700	£4,368
	Cert 3 Entries*	£6.24	700	£4,368
Total				£376,943
Crop Entry PB/B Temp	ESP IBM Charge (See Table 1)	£6.04	400	£2,416
	ESP Charge (See Table 2)	£0.89	400	£368
	APHA Staff Costs (See Table 3)	£66.59	400	£26,635
	PHSI Inspector Time (See Table 4)	£233.00	2	£465
	Admin Fee For PHSI Crops*	£121.78	2	£244

Official Check Inspections*	£374.10	23	£8,604
Control Plots*	£85.09	200	£17,018
Cert 3 Paper Check *	£6.24	200	£1,248
Seed Crop Entries (Cert 2)*	£6.24	200	£1,248
Cert 3 Entries*	£6.24	200	£1,248
Total			£59,495

Table 7. Total Administration Costs and Current Income for Crop Entry

The table shows the total current fee income for crop entry as calculated using the current average fee across each category multiplied by volume. The total administration cost for crop entry services is higher than the income based on current average fees. APHA are therefore under-recovering crop entry costs.

	Category	Current Average Fee	Total Ha Volume	Current Fee Income (Current Average Fee x Total Ha Volume)	Total Administration Cost
Crop Entry	CS C1 C2 C3	£4.80	76553	£367,454	£621,175
	PB/B	£60.60	4681	£283,669	£376,943
	PB/B Temp	£16.00	1216	£19,456	£59,495
Total				£670,579	£1,057,612

Table 8. Administration Costs for Seed Lot Fees

The table shows the total administration cost for 'Seed Lot Fee CS C1 C2 C3' and 'Seed Lot Fee PB/B' as calculated using individual seed lot fee costs multiplied by volume, including ESP IBM Charges (see Table 1), ESP Charges (see Table 2), APHA Staff Costs (see Table 3), Lot 6 Loading (see Table 5 and Table 6), and NIAB's set costs, as set out in the TSC*. The total costs for "Seed Lot Fee CS C1 C2 C3' and 'Seed Lot Fee PB/B' are brought across to table 9 to determine the total administration cost for seed lot services.

	Action	Cost	Volume	Total Administration Cost (Cost x Volume)
Seed Lot Fee CS C1 C2 C3	ESP IBM Charge (See Table 1)	£6.04	24258	£146,543
	ESP Charge (See Table 2)	£0.92	24258	£22,297
	APHA Staff Costs (See Table 3)	£3.29	24258	£79,906
	Lot 6 Loading (See Table 5)	£34.41	12258	£421,755
	Crop Bulking Cert 4 *	£6.24	1200	£7,488
	Seed Test Report Cert 10 *	£6.24	10800	£67,392
	Lodge Test Report Cert 7 *	£6.24	12258	£76,490
Total				£821,872
Seed Lot Fee PB/B	ESP IBM Charge (See Table 1)	£6.04	2652	£16,021
	ESP Charge (See Table 2)	£0.92	2652	£2,438
	APHA Staff Costs (See Table 3)	£15.07	2652	£39,953
	Lot 6 Loading (See Table 5)	£34.41	1152	£39,640
	Crop Bulking Cert 4 *	£6.24	300	£1,872
	Seed Test Report Cert 10 *	£6.24	1200	£7,488
	Lodge Test Report Cert 7 *	£6.24	1152	£7,188
Total				£114,596

Table 9. Total Administration Costs and Current Income for Seed Lot Fees

The table shows the total current fee income for seed lot fees as calculated using the current average fee across each category multiplied by volume. The total administration cost for seed lot fee services is higher than the income based on current average fees. APHA are therefore under-recovering seed lot fee costs.

	Category	Current Average Fee	Total volume	Current Fee Income (Current Average Fee x Total Ha Volume)	Total Administration Cost
Seed Lot Fee	CS C1 C2 C3	£34.80	12258	£426,578	£821,872
	PB/B	£156.00	1152	£179,712	£114,596
Total				£606,290	£936,468

Table 10. Total Seed Certification Administration Costs against Current Income

Table 10 shows the total seed certification administration costs (£1,994,081) against current income (£1,276,869). The total administration cost for seed certification is higher than the income based on current average fees. APHA are therefore under-recovering seed lot fee costs. In order to set fees to recover the full costs of service delivery, current fees must be increased by 56%.

	Current Fee Income	Total Administration Cost to APHA
Crop Entry Total	£670,579	£1,057,612
Seed Lot Fee Total	£606,290	£936,468
Grand Total	£1,276,869	£1,994,081
Under recovery		£717,212
Percentage increase required for FCR <i>((£717,212 / £1,276,869) x 100)</i>		56%

Table 11. Changes to online application fees

To note that there is a reduced fee for online applications compared to paper applications.

	Existing Online Fee	New Online Fee	% Increase
CROP ENTRY FEE	Per Hectare	Per Hectare	
Licensed inspection (except early multiplication and late entered crops) (CS, C1, C2 and C3)	£4.50	£7.03	56%
Official Inspections Pre-Basic, Basic, early multiplication and late entered crops	Per Hectare	Per Hectare	
Cereal, Pulses, Linseed and Herbage (One inspection) Note: There is a reduced official fee when a PB or B crop is officially inspected by a Licensed inspector	£60.00	£93.70	56%
Beet, Oilseed Rape, Mustard, Fodder Rape, Beet and Kale (Two inspections)	£95.00	£148.36	56%
Hybrid rape (Three inspections)	£130.00	£203.02	56%
Additional official inspection, all species	£35.00	£54.66	56%
All Crops Temp Experiment	£16.00	£24.99	56%
SEED LOT FEE	Per seed lot	Per seed lot	
Seed lot fee: final generation (including retests) 2H, 2L, CH, CL, C2 and C3 (when applicable)	£34.00	£53.10	56%
Seed lot fee: multiplication seed lots PB, B, 1H, 1L, C1, C2 (including retests)	£155.00	£242.06	56%

Table 12. Changes to paper application fees.

To note that there is a reduced fee for online applications compared to paper applications.

	Existing Paper Fee	New Paper Fee	% Increase
CROP ENTRY FEE	Per Hectare	Per Hectare	
Licensed inspection (except early multiplication and late entered crops) (CS, C1, C2 and C3)	£5.50	£8.59	56%
Official Inspections Pre-Basic, Basic, early multiplication and late entered crops	Per Hectare	Per Hectare	
Cereal, Pulses, Linseed and Herbage (One inspection) Note: There is a reduced official fee when a PB or B crop is officially inspected by a Licensed inspector	£62.00	£96.83	56%
Beet, Oilseed Rape, Mustard, Fodder Rape, Beet and Kale (Two inspections)	£97.00	£151.48	56%
Hybrid rape (Three inspections)	£132.00	£206.14	56%
Additional official inspection, all species	£35.00	£54.66	56%
All Crops Temp Experiment	£16.00	£24.99	56%
SEED LOT FEE	Per seed lot	Per seed lot	
Seed lot fee: final generation (including retests) 2H, 2L, CH, CL, C2 and C3 (when applicable)	£42.00	£65.59	56%
Seed lot fee: multiplication seed lots PB, B, 1H, 1L, C1, C2 (including retests)	£165.00	£257.68	56%

Table 13. Changes to NIAB's Seed Testing Prices, training and ISTA testing fees

The Licensed Seed Testing Station (LSTS) audit annual fee is charged by NIAB under the TSC. Invoices are sent to APHA by NIAB as and when the individual audits are undertaken. APHA charge Annual Fee to all LSTS in June to cover Audits in the forthcoming seeds year (July - June).

	Existing Fee	New Fee	% Increase
LSTS Annual Fee	£1,745.00	£2,144.50	22.9%
Training and exam for new licensed samplers	£650.00	£670.80	3.2%
Licensed seed analyst - Basic Proficiency Certificate	£4,654.05	£4,802.98	3.2%
Licensed seed analyst - Additional testing categories	£2,719.75	£2,806.78	3.2%
Licensed seed analyst - Laboratory Management	£3,293.60	£3,399.00	3.2%
Orange International Certificate (OIC)	£140.00	£144.48	3.2%
Blue International Certificate (BIC)	£140.00	£144.48	3.2%

Activities Covered by the fee in each category

Crop Entry fee: Licensed Inspection

Applies to:

Crops entered to produce CS, C1, C2 or C3 seed, except for varieties in early multiplication and crops sown with seed lots accepted as late entered.

Crops entered to produce seed of unlisted varieties under authorisation from APHA unless specifically entered to produce pre-basic or basic seed.

All crops entered in the temporary experiment.

Specific costs:

Data handling for crop entry and crop inspection reports.

Monitoring licensed crop inspectors through check inspections (5% of crops inspected by licensed personnel are check inspected by officials).

Training official inspectors to carry out check inspections.

Costs allocated proportionately across crop entry and seed lot fees:

Maintenance of seed pedigree data and certification records.

Varieties and Seeds administration.

PHSI company audits

Crop Entry fee: Official Inspection

Applies to:

All crops entered to produce pre-basic and basic seed. If PB or B crops are to be officially inspected by a Licensed inspector you should contact NIAB.

All crops of varieties in early multiplication and sown with seed lots accepted as late entered.

Specific costs:

Data handling for crop entry and crop inspection reports.

Official inspection (higher fee for species requiring two or three inspections).

Lodging the official inspection report.

Training official inspectors to carry out official inspections.

Control plots of breeder's seed (allocated across all officially inspected crops).

Costs allocated proportionately across crop entry and seed lot fees:

As for 'Crop entry fee: licensed inspections' above.

Additional Official Inspection fee

Applies to:

Additional official inspections requested by the applicant when an earlier official inspection failed the crop at the category entered and where the applicant has taken remedial action.

Specific costs:

Organising and carrying out an additional official inspection.

Lodging the official inspection report.

Training official inspectors to carry out official inspections.

Costs allocated proportionately across crop entry and seed lot fees:

As for 'Crop entry fee: licensed inspections' above.

Seed Lot fee: Final generation

Applies to:

Final generation seed lots marketed to grow a commercial crop.

Already certified multiplication seed lots re-entered at a new category.

Specific costs:

Data handling for seed test report and lodging of seed test report.

Post-control of final generation seed (5% of final generation seed lots are grown in post-control plots to monitor quality).

Monitoring LSTs through testing of reserve portions (official tests are carried out on 5% of samples tested by LSTs).

Costs allocated proportionately across crop entry and seed lot fees:

As for 'Crop entry fee: licensed inspections' above.

Seed Lot fee: Multiplication seed lots

Applies to:

All seed lots certified in England and Wales and entered for further multiplication. This fee now includes hybrid barley seed lots.

Already certified final generation seed lots re-entered for further multiplication.

Specific costs:

Data handling for seed test report and lodging of seed test report.

Control plot.

Monitoring LSTs through testing of reserve portions (official tests are carried out on 5% of samples tested by LSTs).

Costs allocated proportionately across crop entry and seed lot fees:

As for 'Crop entry fee: licensed inspections' above.

LSTS Annual Licence fee

Management of LSTSs including annual audit and reports.

Seed analyst re-assessment.

Update and provision of technical papers.

Follow up of reserve portion results.

Routine advice.



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