

Clause on selected impacts

1. Basic information	
Document title	
Decree of the Ministry of Agriculture and Rural Development of the Slovak Republic amending Decree No 83/2016 of the Ministry of Agriculture and Rural Development of the Slovak Republic on meat products	
Submitter (and co-submitter)	
Ministry of Agriculture and Rural Development of the Slovak Republic	
Nature of the submitted document	<input type="checkbox"/> Document of a non-legislative nature
	<input type="checkbox"/> Document of a legislative nature
	<input type="checkbox"/> Transposition of EU law
Start and end dates of the preliminary consultation exercise	Start: 8 November 2022 End: 18 November 2022
Expected date of submission for consultation	January 2023
Expected date of start and completion of the MR**	
Expected date of submission to a session of the Government of the Slovak Republic*	

2. Definition of the issue
The draft Decree responds to the need to adjust the storage conditions of chilled meat products in the same way as in the surrounding Member States, where storage conditions most often range from 0 °C to + 7 °C. Slovak national legislation requires a storage temperature of up to + 4 °C for most groups of meat products, which represents a certain disadvantage for Slovak producers compared to foreign producers. The above-mentioned adjustment is also fully in line with European legislation, in particular Regulation (EC) No 852/2004 of the European Parliament and of the Council on the hygiene of foodstuffs. The submitted draft also adds, inter alia, some basic concepts.
3. Objectives and desired outcome
The aim of the draft decree is to eliminate the reduced competitiveness of Slovak meat producers compared to foreign ones, which is mainly reflected in the supply of meat products to retail chains.
4. Stakeholders
Food business operators engaged in the production and sale of meat products.
5. Alternative solutions
The zero option would constitute a failure to fulfil task C.27 of the Slovak Government Resolution No 79 of 2 February 2022 on the draft Act amending certain acts relating to the improvement of the business environment.
6. Implementing legislation
Is the adoption/amendment of implementing legislation envisaged? <input type="checkbox"/> Yes <input type="checkbox"/> No
7. Transposition of EU law
No
8. Expediency review
A review of the effectiveness of the submitted material will be carried out within two years of its entry into

force.

The criterion for the review of expediency will be the legislation in force.

*to be completed only if the document is not included in the Work Plan of the Government of the Slovak Republic or the Plan of Legislative Tasks of the Government of the Slovak Republic.

**to be completed only if the final assessment of the selected impacts has been carried out in accordance with point 9.1 of the Uniform Methodology.

9. Selected impacts of the document			
Impacts on the general government budget of which impacts covered by the budget, in case of identified negative impact	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative
	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Partial
Impacts on the business environment of which impact on SMEs The bureaucracy and cost reduction mechanism is applied	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative
	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative
	<input type="checkbox"/> Yes		<input type="checkbox"/> No
Social impacts	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative
Environmental impacts	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative
Impacts related to information society	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative
Impacts on public administration services for citizens, of which impacts of public administration services on citizens impacts on service processes in public administration	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative
	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative
Impacts on marriage, parenthood and family	<input type="checkbox"/> Positive	<input type="checkbox"/> None	<input type="checkbox"/> Negative

10. Notes

The draft amendment to the Decree in question will have a positive impact on the business environment in the sense that the adjustment of storage temperatures eliminates a certain reduced competitiveness of Slovak producers compared to foreign ones and food business operators producing the meat products in question and their vendors will also have lower energy costs associated with the storage/refrigeration of these products. When the highest possible storage temperatures are used, it is estimated that energy costs associated with chilling and storing meat products will be reduced by up to 40 %.

The Ministry of Economic Affairs will initiate consultations with business entities to obtain data on quantifications. These data will be subject to quantification of the effects on the business environment in the case of contested regulation and will be updated in the Business Environment Impact Analysis, which the submitter is obliged to send to the Ministry of Economic Affairs of the Slovak Republic pursuant to point 6.7 of the Unified Methodology for the assessment of selected impacts: 'The submitter must send the current version of Section 3.1 Costs of regulating the effects on the business environment to the Ministry of Economic Affairs at 1in2out@mhsr.sk within 45 calendar days from the promulgation of the legislation in the Collection of Laws of the Slovak Republic.'

11. Contact details of the author

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12. Sources

Task C.27 arising from the Slovak Government Resolution No 79 of 2 February 2022 on a draft law amending certain laws in relation to improving the business environment.

The draft amendment to the relevant provisions of the Decree on meat products is based on consultations with the Slovak Agricultural and Food Chamber, the Slovak Food Chamber, the Slovak Association of Meat Processors and the State Veterinary and Food Administration of the Slovak Republic.

13. Opinion of the Commission on the assessment of selected impacts from the CWP No 273/2022

(if implemented pursuant to point 8.1 of the Uniform Methodology)

Agrees Agrees with a suggestion for reworking Disagrees

Regarding the clause on selected impacts

The Commission asks the petitioner in Section 9 Selected impacts, impacts on the business environment, to indicate 'yes' in the row 'red tape reduction and cost reduction mechanism is applied'.

Justification: In the Impact Analysis, they are stated in Section C. Indirect financial costs, which are to be counted in row G. Costs, with exceptions = B+C+D-F.

Evaluation:

Comment accepted, incorporated in the text of the Clause of the selected impacts.

Re: the impact on the government budget:

From a formal point of view, the Commission points out, that if no material impacts on the general government budget are identified, Section 9 of the selected impact clause does not indicate the budgetary inclusion of the identified negative impact on the general government budget or also on the budgets of municipalities and higher territorial units.

Evaluation:

Comment accepted, incorporated in the text of the Clause of the selected impacts.

Re: impacts on the business environment

The Commission asks the submitter to quantify the impacts mentioned in Section 3.1. Analysis of impacts on the business environment.

Justification: The Commission proposes stating the average sum of energy prices over the last 5 years, and since

food business operators involved in the production and sale of meat products provide various information to the Slovak State Veterinary and Food Administration, the Commission considers that information on the number of refrigerators can be obtained from this institute. Finally, the Commission proposes counting on 40 % savings, as indicated by the petitioner in the Business Environment Impact Analysis.

Evaluation:

Comment partially accepted, we are still of the opinion that quantification in the case of processing plants is not possible in the absence of relevant data on the number of refrigerated areas (refrigerator boxes, etc.) their energy consumption and other parameters necessary for the calculation of refrigeration costs. However, the analysis of the effects on the business environment was supplemented by a calculation of the expected savings, which is, however, purely theoretical, given the number of factors to be taken into account (number of installations, energy source used, number of establishments that will increase storage temperature, differences in energy prices, etc.). The calculation was based on data on the total costs of different types of energy in the food industry available to the Ministry of Agriculture and Rural Development. Quantification for retail establishments is not possible in the absence of relevant data on the number of refrigeration devices (boxes, display cases, etc.), of their power consumption and other parameters necessary for the calculation of refrigeration costs. In addition to this information, energy savings can only be assumed in the case that all products with a storage temperature of up to 7 °C are kept in one refrigeration unit; if this is not the case, the retailer cools the display cabinets to the lowest storage temperature of the product contained in the display cabinet.

The Commission asks the petitioner to attach a cost calculator

Justification: In accordance with the Uniform Methodology for the assessment of selected impacts, the cost calculator is a mandatory part of the Business Environment Impact Analysis.

Evaluation:

Comment accepted, a theoretical calculation of cost savings has been incorporated into the cost calculator.

14. Opinion of the Commission on the assessment of selected impacts from final assessment
(if it was carried out pursuant to point 9.1 of the Uniform Methodology)

Agrees Agrees with a suggestion for reworking Disagrees

Analysis of impacts on the business environment

Name of the document: Decree of the Ministry of Agriculture and Rural Development of the Slovak Republic of 2023 amending Decree of the Ministry of Agriculture and Rural Development of the Slovak Republic No 83/2016 on meat products

Submitter: Ministry of Agriculture and Rural Development of the Slovak Republic

3.1 Regulatory costs

3.1.1 Summary table of regulatory costs

<i>TYPE OF COSTS</i>	Cost increase in EUR on the business environment	Cost reduction in EUR on the business environment
<i>A. Taxes, levies, duties and charges, to reduce negative externalities</i>	0	0
<i>B. Other fees</i>	0	0
<i>C. Indirect financial costs</i>	0	1,818,000
<i>D. Administrative costs</i>	0	0
Total = A+B+C+D	0	1,818,000
of which		
<i>E. Impact on micro, small and medium-sized enterprises</i>	0	0
<i>F. Full harmonisation of EU law</i>	0	0
CALCULATION of the bureaucracy and cost reduction mechanism	IN	OUT
G. Costs minus exceptions = B+C+D-F	0	1,818,000

3.1.2 Calculations of the impacts of individual regulations on changes in the costs of businesses

Table 2: Calculation of impacts of individual regulations (replace with the same table after completing the Cost Calculator):

Ref. No	Clear and concise description of the regulation indicating the reason for the increase/reduction of costs on the business environment	Number of the standard (act, decree, etc.)	Localisation (§, paragraph)	Origin of regulation: SK/EU complete harm./EU optional harm.	Regulatory efficacy	Category of stakeholders	Number of entities in the category	Number of SMEs in the category	Impact per enterprise in EUR	Impact on the category of stakeholders in EUR	Type of impact In (increases costs)/ Out (reduces costs)
1.	The permitted temperature for the storage of certain meat products is changed from a maximum of 4 °C to a maximum of 7 °C, which will result in a reduction in the energy costs associated with the storage of these products.	Decree of the Ministry of Agriculture and Rural Development No 83/2016	§ 3(3)(a)	SK		processing establishments	202	N	9,000	1,818,000	Out (reduces costs)
2.	The permitted temperature for the storage of certain meat products is changed from a maximum of 4 °C to a maximum of 7 °C, which will result in a reduction in the energy costs associated with the storage of these products.	Decree of the Ministry of Agriculture and Rural Development No 83/2016	§ 3(3)(a)	SK		retail sale NACE 47110	1651	N	estimated reduction of NFN by 40 %	estimated reduction of NFN by 40 %	Out (reduces costs)

Additional information on how to calculate the impacts of individual regulations on the change in costs

The proposed change in temperature storage conditions for selected groups of meat products will affect both processing establishments (number approved 202; source SVFA SR) as well as sellers of these products themselves (number 1651; source of Finstat.sk). This change will have a positive impact in terms of reducing the financial costs of the energy needed for refrigeration and storage of the groups of meat products concerned. Precise quantification of reduced costs is not possible for several reasons:

- constantly changing electricity prices;
- in view of the fact that producers of poultry meat products have announced that they insist on a storage temperature of up to 4 °C and therefore the storage conditions for this category will remain unchanged, no reduction in the cost of refrigeration is foreseen;
- the number of refrigerator boxes and display cabinets in establishments varies;
- the draft decree does not require manufacturers to set the maximum possible storage temperature for their products, meaning they can leave the temperature set at the existing maximum of 4 °C; the draft decree only gives the option of setting a higher storage temperature (maximum 7 °C).

In the event that a producer of the given meat products decides to increase the storage temperature from the current maximum of 4 °C to at most 7 °C (i.e. increasing it by half), we foresee a reduction in the financial cost of energy associated with the refrigeration of meat products by around 40 %.

Quantification for processing plants is not possible in the absence of relevant data on the number of refrigerated areas (refrigerator boxes, etc.), their energy consumption and other parameters necessary for the calculation of refrigeration costs.

The Ministry of Agriculture and Rural Development only has at its disposal the total costs of individual types of energy within the food industry. On the basis of those data, the estimated saving has been calculated, which is, however, purely theoretical, given the number of factors to be taken into account (number of installations, energy source used, number of plants that will increase storage temperature, differences in energy prices, etc.).

Assuming that 30 % of the total electricity costs are refrigeration costs and with an average annual electricity cost of EUR 75,000 per enterprise, and all businesses will increase the storage temperature, this represents a total saving in electricity costs of EUR 1,818,000 for meat processing plants.

Number of enterprises	Average annual electricity costs per enterprise	Refrigeration costs (30 % of total costs)	40 % saving	Total savings
202	75,000 EUR	22,500 EUR	9,000 EUR	1,818,000 EUR

Note: The calculation is based on 2020 data.

In the case of poultry processing plants, the saving on the cost of refrigeration is not expected as they want to keep the current maximum storage temperature of up to 4 °C.

Quantification for retail establishments is not possible in the absence of relevant data on the number of refrigeration devices (boxes, display cases, etc.), of their power consumption and other parameters necessary for the calculation of refrigeration costs. In addition to this information, energy savings can only be assumed in the case that all products with a storage temperature of up to 7 °C are kept in one refrigeration unit; if this is not the case, the retailer cools the display cabinets to the lowest storage temperature of the product contained in the display cabinet.

3.2 Evaluation of consultations with businesses prior to preliminary consultation

In connection with the preparation of the decree in question, consultations were organised with stakeholders, who are also affected by the proposed amendments, namely the State Veterinary and Food Administration of the Slovak Republic (ŠVPS SR), the Slovak Association of Meat Processors (SZSM), the Slovak Agricultural and Food Chamber (SPPK)

and the Slovak Food Chamber (PKS). The stakeholders were contacted directly by sending an invitation to consultations. Consultations took place at the Ministry of Agriculture and Rural Development on 3 June 2022 and 13 June 2022.

The main topics of the consultations were primarily amendments to the provisions resulting from the fulfilment of task C.27, which arises from the provisions of the Slovak Government Resolution No 79 of 2 February 2022 on the draft Act amending certain acts relating to the improvement of the business environment. In the government resolution in question, the Minister of Agriculture and Rural Development of the Slovak Republic was instructed to submit to the legislative process a draft decree laying down the relevant provisions concerning the storage temperature of meat products and storage conditions for exporting and placing meat products on the domestic market. The aim was to increase the storage temperature for chilled meat products and thus align storage conditions with those in surrounding Member States. The SPPK and therefore also the Slovak Union of Poultry Producers as its member, called for the current version to be left in place, as the proposed amendment would have a negative impact and would lead to a reduced quality of Slovak meat products and a significant reduction in the shelf life of meat products; to an increase in the costs for Slovak producers of meat products in connection with the need to carry out laboratory shelf life tests and the abuse of this fact by retail chains. On the other hand, SZSM and PKS were clearly in favour of adopting the change in question and hence setting higher storage temperatures. This conflict persisted in all consultations. Despite this conflict, the submitter of the decree in question has made a uniform adjustment of the storage temperature of chilled meat products to a maximum of +7 °C.

Another task of the Government Resolution was to modify the relevant provisions concerning the rules for the preparation of samples and the analysis of meat products for meat content. In this matter, all the consulting parties agreed that these provisions would not be regulated by the draft Decree, since similar provisions are contained in the Decree of the Ministry of Agriculture of the Slovak Republic and the Ministry of Health of the Slovak Republic of 12 March 2003 No 451/2003-100 which issues the chapter of the Codex Alimentarius of the Slovak Republic governing sampling methods and analytical methods for testing the health and quality of food and tobacco products or raw materials for their production.

The consultations also aimed to assess the need to delete and add some basic definitions and agreement was reached on this matter.

3.3 Impacts on competitiveness and productivity

The adoption of changes concerning, in particular, storage conditions is justified, as Slovak producers of meat products are at a disadvantage compared to foreign producers. Similar legislative changes have already been adopted in neighbouring Member States and the storage conditions are laid down by producers of meat products themselves on the basis of the provisions of Regulation (EU) No 852/2004, where Chapter I, Article 1, provides that the primary responsibility for food safety rests with the food business operator. Such setting of temperature conditions for the handling and placing on the market of the categories of meat products in question follows from the results of a market investigation which monitored the conditions defined by the manufacturer for the storage of the given meat products. These parameters were monitored for foreign products placed on the Slovak market as well as on the market abroad. The draft decree in question lays down storage conditions, in particular for chilled meat products, so that they are approximately the same as in the surrounding Member States, which will in a certain way facilitate the storage of those products by sellers, who, until now, have in most cases stored domestic and foreign products at different temperatures. This barrier will be reduced or removed by this proposal.

Competitiveness:

On the basis of the above answers, please tick and describe the document's effect on competitiveness:

increases does not change reduces

Productivity:

What is the impact of the document on the ratio between enterprises' production and their expenses?

On the basis of the above reply, please tick and describe the document's effect on productivity:

increases does not change reduces

3.4 Other impacts on the business environment

We do not expect other influences.