STATES OF JERSEY

DRAFT AGRICULTURE AND FISHERIES (LOANS) (JERSEY) REGULATIONS 202- (P.78/2026): COMMENTS

Presented to the States on 6th November 2026
by the Environment, Housing and Infrastructure Scrutiny Panel

STATES GREFFE

COMMENTS

Background and context

The draft Agriculture and Fisheries (Loans) (Jersey) Regulations 202-[1] set out the detailed operational framework necessary to give effect to the Agriculture and Fisheries (Loans) (Jersey) Law 2026[2], which was adopted by the States Assembly in March 2026. The Regulations establish the administrative and procedural arrangements for the operation of loan schemes supporting Jersey's agriculture and fisheries sectors.

The Regulations, if adopted, will replace the longstanding Agriculture (Loans) (Jersey) Regulations 1974[3], updating the legislative framework to reflect modern farming and fishing industries and extending support beyond agriculture to include the fisheries sector. The Regulations outline matters such as loan eligibility, application processes, lending conditions, security requirements, repayment arrangements, and the administration of the scheme by the Minister for Environment, Agriculture and Fisheries.

The underlying Law was introduced to modernise government-backed lending support for primary industries, recognising the strategic importance of agriculture and fisheries to Jersey's economy, food security, rural environment, and coastal communities. The new framework is intended to provide greater flexibility and clarity in the provision of financial assistance, enabling businesses to invest in productivity improvements, infrastructure, innovation, environmental enhancements, and long-term resilience.

The draft Regulations are therefore primarily operational in nature, ensuring that the powers established by the Law can be exercised consistently and transparently while maintaining appropriate safeguards for public funds. They also consolidate and modernise arrangements that have remained largely unchanged since the 1974 Regulations were introduced.

Governance and Decision-Making

Noting the request for a reduced lodging period, the Panel sought to gain further clarity on the proposals via email correspondence with the Department, the response to which has informed these comments.

The Panel considered the governance and decision-making arrangements established by the draft Regulations, including the application process and the roles of the service provider, the Agriculture and Fisheries Loans Board and the Minister. In doing so, the Panel noted the discretion afforded to the Minister under certain provisions of the proposed scheme including:

- the application process
- the role of the service provider in receiving and screening applications
- the functions of the Agriculture and Fisheries Loans Board in considering applications and making recommendations to the Minister, and

[1] States Assembly | P.78/2026
[2] Agriculture and Fisheries (Loans) (Jersey) Law 2026
[3] Agriculture (Loans) (Jersey) Regulations 1974

- the Minister's role in determining whether a loan should be approved or refused.

The Panel also reviewed the extent of Ministerial discretion provided for within the proposed framework, including the ability of the Minister to approve a loan amount lower than that recommended by the Board.

Interest Rates

The Panel considered the provisions relating to interest rates, including the power of the Minister to determine the applicable rate. The Panel sought clarification regarding the framework that would apply should interest rates be reviewed in future. The Department advised that the current interest rate of 3% is intended to remain in place and that any future review would be undertaken in consultation with Treasury officers, taking account of prevailing economic and market conditions. It was further advised that it is not intended that different interest rates would be applied to individual loan applicants.

Security and Guarantees

The Panel examined the provisions relating to security and guarantees, noting that the draft Regulations expand the range of assets that may be accepted as security for a loan. The Panel also considered the circumstances in which personal guarantees and third-party security arrangements may be required. The Panel sought clarification regarding how obligations arising from such arrangements would be communicated to applicants and guarantors. It was advised that information regarding potential obligations would be provided throughout the application process and, where applicable, formalised through the relevant legal documentation.

Loan Conditions and Protection of Public Funds

The Panel considered the conditions applicable to loans issued under the scheme, including provisions relating to the maintenance of agricultural and fisheries assets, insurance requirements for secured loans and repayment obligations. The Panel also regarded the powers available to the Minister where loan conditions are breached, including powers relating to the enforcement of security. The Panel noted that these provisions establish the conditions, safeguards and enforcement mechanisms that apply to loans issued under the scheme.

The draft Regulations intend to provide a modernised framework for administering loans to the agriculture and fisheries sectors and the Panel welcomes the extension of the scheme to fisheries businesses.

The Panel is reassured by the Minister's confirmation that interest rate changes would be subject to review and are not intended to vary between individual applicants.

The Panel notes the importance of clear communication regarding guarantee obligations given the broader range of security arrangements available under the scheme. The Panel considers that the Regulations seek to balance support for industry investment with the protection of public funds.

Conclusion

Having considered the draft Regulations, the Panel notes that they are largely operational in nature and are intended to give effect to the Agriculture and Fisheries (Loans) (Jersey) Law 2026. The Panel welcomes the modernisation of the loans scheme, the extension of support to the fisheries sector and the greater flexibility available to applicants. Having sought clarification from the Minister regarding interest rates and guarantee arrangements, the Panel is satisfied that appropriate processes are proposed to support transparency, consistency and the responsible stewardship of public funds.