# PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

## Public Bill Committee

# AGRICULTURE BILL

*Twelfth Sitting*

*Thursday 15 November 2018*

*(Afternoon)*

CONTENTS

Clauses26 and 27 agreed to.
Schedule 3 agreed to, with amendments.
Clause 28 agreed to.
Schedule 4 agreed to, with amendments.
Clauses 29 to 31 agreed to, with amendments.
Schedule 5 agreed to.
Clauses 32 to 36 agreed to, one with an amendment.
New Clauses considered.
Adjourned till Tuesday 20 November at twenty-five minutes past Nine o'clock.
Written evidence reported to the House.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

**not later than**

**Monday 19 November 2018**

**The Committee consisted of the following Members:**

*Chairs:* Sir Roger Gale, †Phil Wilson

† Antoniazzi, Tonia *(Gower)* (Lab)
† Brock, Deidre *(Edinburgh North and Leith)* (SNP)
Chapman, Jenny *(Darlington)* (Lab)
† Clark, Colin *(Gordon)* (Con)
† Davies, Chris *(Brecon and Radnorshire)* (Con)
† Debbonaire, Thangam *(Bristol West)* (Lab)
† Drew, Dr David *(Stroud)* (Lab/Co-op)
† Dunne, Mr Philip *(Ludlow)* (Con)
† Eustice, George *(Minister for Agriculture, Fisheries and Food)*
Goodwill, Mr Robert *(Scarborough and Whitby)* (Con)
† Harrison, Trudy *(Copeland)* (Con)
† Hoare, Simon *(North Dorset)* (Con)
† Huddleston, Nigel *(Mid Worcestershire)* (Con)
Lake, Ben *(Ceredigion)* (PC)
† McCarthy, Kerry *(Bristol East)* (Lab)
† Martin, Sandy *(Ipswich)* (Lab)
† Stewart, Iain *(Milton Keynes South)* (Con)
† Tracey, Craig *(North Warwickshire)* (Con)
† Whitfield, Martin *(East Lothian)* (Lab)

Kenneth Fox, Anwen Rees, *Committee Clerks*

**† attended the Committee**

# Public Bill Committee

*Thursday 15 November 2018*

*(Afternoon)*

[PHIL WILSON *in the Chair*]

## Agriculture Bill

### Clause 26

WTO AGREEMENT ON AGRICULTURE: REGULATIONS

2 pm

**Deidre Brock** (Edinburgh North and Leith) (SNP): I beg to move amendment 67, in clause 26, page 20, line 36, at end insert—

'( ) Regulations under this section containing provision that extends to Scotland may be made only with the consent of the Scottish Ministers."

*This amendment would require that the power to make regulations extending to Scotland can only be exercised with the consent of Scottish Ministers.*

**The Chair:** With this it will be convenient to discuss the following:

Amendment 119, in clause 26, page 20, line 36, at end insert—

"(1A) Regulations under this section containing provisions extending to Scotland, Wales or Northern Ireland that would ordinarily be within the competence of Scottish or Welsh Ministers or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland and exercised by Scottish or Welsh Ministers or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland may be made only with the consent of Scottish or Welsh Ministers or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland, as appropriate.

(1B) This paragraph does not apply to regulations made by the Secretary of State under—

(a) section 35 or 58 of the Scotland Act 1998 (as amended),

(b) section 82 or 114 of the Government of Wales Act 2006 (as amended), or

(c) section 25 or 26 of the Northern Ireland Act 1998 (as amended)."

*In order to preserve the principle that agriculture is a devolved matter, this amendment would ensure that the Secretary of State may only make regulations to secure compliance by the UK with the WTO Agreement on Agriculture with the consent of Scottish or Welsh Ministers or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland.*

Amendment 68, in clause 26, page 20, line 44, leave out from "support" to end of line 2 on page 21.

*This amendment would remove the role of the Secretary of State as final arbiter in dispute resolution.*

Amendment 69, in clause 26, page 21, line 26, leave out subsection (6).

*This amendment would remove the requirement to provide information to the Secretary of State.*

Amendment 96, in clause 26, page 22, line 2, at end insert—

"(8A) For the avoidance of doubt, nothing in this clause shall affect the devolution of any power under—

(a) the Wales Act 1998, the Wales Act 2014 or the Wales Act 2017,

(b) the Scotland Act 1998 or the Scotland Act 2016, or

(c) the Northern Ireland Act 1998."

**Deidre Brock:** Like previous amendments, amendment 67 is about tidying up the Bill to respect the devolution settlements. It is about allowing Scottish Ministers to exercise powers that are already within their purview. Amendment 68 would remove what I describe as the overseer powers of the Secretary of State in respect of devolved powers by taking away the role of final arbiter and encouraging instead an environment in which consensus and agreement become the norm, rather than a veto.

Similarly, amendment 69 would remove a provision in the Bill that gives the Secretary of State power over the devolved Administrations that is not necessary. Although I can predict that the Minister will argue that there is a need for information to be provided to demonstrate compliance with World Trade Organisation rules, I contend that his assumption is not correct. Again, we return to the issue of respect for the devolved Administrations and the desirability of finding consensus and moving forward together. Removing subsection (6) would facilitate that and remove the impression that the Secretary of State wants to gather power to himself, rather than seeking agreement.

I have sympathy with the amendments suggested by other Opposition Members and the way in which they are trying to secure the future of the devolved settlements. I urge the Minister to consider how he can best do the same.

**Dr David Drew** (Stroud) (Lab/Co-op): We are all glad to be back in our places in Committee. This has been a fairly momentous day so far.

I wish to speak to amendment 119, and my hon. Friend the Member for Gower wishes to speak to amendment 96. I do not want to delay the Committee too much; I just want to make some observations. I concur with what the hon. Member for Edinburgh North and Leith has just said, and she might want to look at our proposal, because it incorporates everything, including Wales and Northern Ireland.

The point about this line of amendments is one that we have discussed before. We are trying to make the point that, when carrying through the WTO arrangements, we have to ensure that we fully consult the different territorial Administrations—in this case, Scotland, but also Wales and Northern Ireland.

Let me explain why we have tabled amendment 119. As I have said before, I visited Northern Ireland and Ireland last week, and the situation is clear. I will not say that completely different agricultural systems are evolving, but there is some difference between them. We have to recognise that. It will be something that we need to be aware of whenever we talk to the WTO if and when we leave the European Union—it will be interesting to hear whether the Minister has something to say on that, because clearly it is not a given.

We will have to apply to the WTO. Currently, we are part of the EU, so we will have to apply to the WTO in our own right. That will involve making sure that all four territorial Administrations are included in whatever appeal we make to the WTO, so in amendment 119 we are paying due regard to the devolution settlements. The situation is made more difficult, as I have said before, because there is no Administration in Belfast. We have to rely on the Department of Agriculture, Environment and Rural Affairs in Northern Ireland to

take the appropriate measures on the say-so of the UK Government, but not necessarily to be completely dictated to by the UK Government.

I hope that the Minister can allay our fears that this will be a bit of a dictatorial measure if it is not amended. That is why we have tabled amendment 119. If the devolution settlements mean what they should—of course, agriculture, in this case, is a devolved matter—we have to be clear, however we subsequently work towards our own independent application to the WTO, that agriculture, which is a crucial part of any WTO arrangement, is included.

The WTO agreement is quite interesting. I hope that if I say a few things about it now, we will not have to do so again when debating clause stand part. Agriculture and horticulture are crucial parts of the WTO agreement. That means that we need to take cognisance of this, as clause 26 does, but in a way that gives due regard to the different territorial Administrations, as these amendments do.

The whole point of the WTO is to shut down agricultural loopholes,

"by binding and reducing tariffs, removing import bans or restrictions, and cutting subsidies that distort trade, both in domestic markets and on exports. As such, 'Country Schedules' of market access and national treatment commitments for products form an important legally binding component of WTO Membership."

That is the specificity of the WTO agreement regarding agriculture. I could say more about how it affects agricultural trade, how it shapes agriculture policy, what the future direction of travel is and what it means for the United Kingdom, but I want to concentrate on the post-Brexit situation when we will be making this application. That is why these amendments are important. We have to ensure that all four countries are on the same page when we make that application. One of the underlying principles of the WTO is that members must not discriminate against one another. One would think that that immediately comes between the United Kingdom and other parties, but it would not be very helpful if we had discrimination within the United Kingdom, so it is quite important that we understand this in terms of the whole arrangement.

I raise that because the Minister rightly brought forward—at quite a late stage—the English votes for English laws arrangements, which lay down where the Bill affects England specifically. It is a pretty arcane document, which the Minister may wish to speak about. I will not spend hours trying to explain what the different bits mean, because I am not sure that I understand what the different bits mean. As we have tried to argue, however, this Bill has a major impact on England, much more than on the other Administrations. Wales is following England in due course. Scotland does not have a schedule. From my intimation, Northern Ireland is doing its own thing at the moment and will do so until it gets an Administration. That matters because we have to be sure that on the one hand England is not adversely affected by what is happening elsewhere, because that would look strange when we make the application to the WTO, and on the other hand that the other Administrations know that they must not discriminate against England, and they must be included in any negotiations, consultations and discussions on how we move this particular clause forward.

This clause is important. It is a part of the Bill that looks forward. It is not something we have done before, because the WTO did not exist when we entered the then European Community—the Common Market. This is a very different set of circumstances. I ask the Minister to allay some of our fears. First, will there be proper consultation, including with all the different Administrations, or with the appropriate actors if there is not an Administration, as in the case of Belfast? Secondly, to do a wee bit of pleading on behalf of England, will he make sure that England does not make all the ground running, or all the sacrifices, because we have not sorted out our own arrangements within the four countries?

The worst possible thing would be if the WTO sits on the application, leaving us in limbo land. None of us can pre-empt what will happen when we make that application. It may go through like night follows day, or it may be quite a difficult operation. Today is particularly apposite in regard to that, because we have a Bill, a discussion or a deal—whatever Members want to call it; I am not sure what form it will take when we get to the meaningful vote—that has really brought home to some Opposition Members, if not Government Members, how we have to nail this down carefully.

I hope that the Minister listens and understands why we feel so strongly about this, and why we need to get this right. I hope that he looks at these amendments—particularly amendment 119, in my name and that of other hon. Friends—because otherwise we could open up a very difficult scenario when we make that application.

**Tonia Antoniazzi** (Gower) (Lab): I rise to speak to amendment 96, which seeks to ensure that nothing in clause 26 affects the devolution agreements in Wales, Scotland and Northern Ireland. It is our responsibility to ensure that there are appropriate safeguards for agriculture in Wales and the other devolved nations. That is important, as the farming unions in Wales do not support the centralising approach that has been proposed. We cannot support any situation in which artificial and arbitrary limits can be placed on what devolved Governments can do.

I recently met my local farmers and our Assembly Member, Rebecca Evans. These farmers were young, dynamic and successful, working hard and planning how their farming businesses can be more profitable and resilient when they do not know what is around the corner. Not knowing what is happening in the light of Brexit makes that planning practically impossible. That is why they need the security and protection of such the amendment.

Those farmers have a great fear of the limbo that my hon. Friend the Member for Stroud spoke about. We need to ensure that this is not a power grab. No express agriculture reservations should be carved out for DEFRA Ministers without their engaging first with Cardiff, Edinburgh and Belfast. Any agreement must be made by common consent, not imposition.

This is a probing amendment. However, I look to the Minister to protect the devolution settlements, even more so in the current climate.

**Mr Philip Dunne** (Ludlow) (Con): I am grateful that this morning's sitting was suspended so that we could all take part—or attempt to—in the debate going on in the Chamber. I have only one point to make to my hon. Friend the Minister. I represent a border constituency. I have 35 miles of the English-Welsh border in my constituency, which I suspect is the largest, or close to the largest, certainly along the English-Welsh border.

*[Mr Philip Dunne]*

That area is represented almost entirely by agricultural holdings, many of which extend on both sides of the border.

I have been informed by NFU Shropshire, to which I pay tribute for digging out this information, that there were, in a recent year—I believe it was last year—a total of 575 basic payment scheme claimants, of which the Rural Payments Agency paid 244 for cross-border claims and the devolved Administrations of Wales and Scotland paid 331. This is not an insignificant group of farmers. There are a total of 83,500 in England, so it is a meaningful number. For those farmers, operating under two separate support regimes is already a challenge, but it is one that they have become used to under the common agricultural policy, which at least has a common framework. Here I have some sympathy with new clause 11, which we will come to today or in our next sitting. It seeks to provide some form of commonality, which we have touched on before in previous sittings.

I respect the fact that agriculture is a devolved matter, so this is a challenging thing to get right, but it is a problem for cross-border farms to operate in two systems. There is a real risk that, if the systems on different sides of the border diverge too much—in particular in the financial support given to farmers—it will lead to some distortion of trade and, at the worst end of the spectrum, some gaming to maximise the support available. I am sure that none of us wants to set up a system in which that is encouraged.

2.15 pm

**Martin Whitfield** (East Lothian) (Lab): I intend to speak principally to amendment 96 and, with the leave of the Chair, to make some comment on the situation that the Government have found themselves in, which is highlighted by the clause.

Agriculture is devolved, and the agricultural methods and the needs of farmers and farming groups—I will mention timber, as I keep doing—such as the timber industry are different in the devolved Administrations, and they are dealt with differently, with different solutions. Any piece of legislation needs to reflect that individuality. I am disappointed with the Agriculture Bill. I understand the political reasons, but I am disappointed in the consequence that more work on the Bill was not done with Scotland, in particular, and England. Northern Ireland has a slightly unique situation. A lot of the issues could have been addressed by people sitting in a room having sensible discussions. Instead, we find ourselves with clause 26, which infringes on the devolution settlement. The second that that happens, extreme caution is needed.

The matter is made even more complicated by the number of farms that straddle the border, as the hon. Member for Ludlow pointed out. I cannot say that a huge amount of consideration has ever been given to those farms, and matters are mainly dealt with now through the good common sense of farmers saying to people, "Someone owes me the money and I need it." The Bill might well be a great missed opportunity to address how we deal with cross-border farms.

The purpose of amendment 96, which was tabled by me and my hon. Friend the Member for Gower, was to highlight the risk to devolution. I would be grateful for the Minister's comments in connection with not only the current Government, but the difficulty of anticipating Secretaries of State to come. There is always a concern about new powers—not with the people who rightly say, "That's not what we're thinking", but with the people who come later, who under the Bill would have the power to influence and cap the payments. That is not something that Scottish farmers want.

**The Minister for Agriculture, Fisheries and Food (George Eustice):** It is a pleasure to be back, as always, and to provide some continuity on a turbulent day.

We are discussing an important issue. The hon. Member for Edinburgh North and Leith and her party have raised it several times, and we have had correspondence about it from Minister Ewing. I will therefore address it in some detail. The first thing to say is that subsection (1) is clear:

> "The Secretary of State may make regulations for the purpose of securing compliance by the United Kingdom with the Agreement on Agriculture."

The whole clause must therefore be read in that context of "securing compliance" with the World Trade Organisation, which is a reserved matter—incontrovertibly reserved.

When we look at what happens now, therefore, the point is that we do not have a schedule with the WTO. The shadow Minister said that, and I will come on to it later. The European Union holds the EU's schedule, including the so-called amber box—the aggregate measurement of support allowance for the entire EU. EU regulation requires that we, the UK Government, on behalf of the whole UK—these obligations apply to all the DAs as well—must submit to the European Union the information relevant to the policies. The European Union has the power to limit the amount of money that we spend that comes into the amber box, to ensure that the EU as a whole—this has to be managed for 28 member states—does not breach its amber box.

The key point is that when we leave the European Union, we will have our own WTO schedule. We will have our own amber box allocation, which will be something in the region of €3.5 billion—a significant sum of money. Here is a question: if each part of the UK decided to spend a billion on amber box, trade-distorting support, so that England did a billion, Wales did a billion, Scotland did a billion and Northern Ireland did a billion, and say, for the sake of argument, we had an amber box allocation of £3 billion, could we say that Scotland had stayed within its legal obligations?

So the key point is not the argument that Scotland, Wales and all the devolved Administrations must abide by international agreements. Of course they must; we rely on that all the time. The key question is how they can know that they are doing so, when we have a collective allocation of perhaps £3 billion for the entire UK, and we have to be able to allocate that somehow.

A number of hon. Members have said, "There has to be a role for the devolved Administrations in this." Subsection (2)(a) states that there should be

> "a process for the appropriate authorities to decide how different types of domestic support should be classified".

A process will be set out in the regulations by which all the devolved Administrations will be able to discuss and agree that.

Where there is a lack of agreement, there is, in subsection (2)(b),

"a process for the resolution of disputes".

There is already provision here through regulations for us to say, "If one part of the UK thinks it should be able to spend more on trade-distorting amber box support, there is a provision for dispute resolution." Fundamentally it is reserved; it is now reserved with the EU and there are legal obligations on us all to provide the EU with information. There is no duty on the EU to consult if we want to breach it; they just tell us what the policy is and what our limits are. It is important that, as the holder of the WTO schedule, the UK Government at least have the power to collect the data and demonstrate compliance. That is all that this clause is about.

**Martin Whitfield:** Should the process for the resolution of dispute in subsection (2)(b) be followed and there is no resolution, it falls on to the Secretary of State. We have already had a discussion about his or her role with regard to England and the devolved nations. Are we not able, in 2018, to come up with a better system that more rightly reflects the full powers of the devolved nations and the fact that perhaps the Secretary of State should not be the final arbiter in this matter?

**George Eustice:** Given that it is a reserved competence, it is right that the Secretary of State should be the final arbiter, because somebody has to be. We do not have a federal system; we have a devolution settlement. It is different from a federal system of government and we have deliberately stopped short of a federal model with qualified majority voting.

**Deidre Brock:** The Minister talks about this being reserved, but we are quite clear that, as this concerns the implementation of international obligations, it is devolved and should be treated as such. I also remind the Minister that agriculture is considered to be within the competence of the Scottish Parliament because it is not a reserved matter under schedule 5 to the Scotland Act 1998. How does he address that and—I am sorry that this is rather a long intervention—the concerns of the National Farmers Union of Scotland that a future UK Secretary of State with these powers could have

"the ability to set limits on the amount of domestic support which could be targeted at specific measures that Scottish Ministers may seek to apply in Scotland to meet their objectives"?

**George Eustice:** Agriculture is devolved; we do not dispute that. That is why there are schedules for some parts of the UK that have asked us to do that, and it is open to other devolved Administrations, including Scotland, to bring forward their own domestic legislation on agriculture. However, demonstrating compliance with an international obligation through the WTO is a reserved matter. We do not dispute at all that agriculture is devolved—that premise runs right through the core of this Bill—but this is about demonstrating compliance with an international obligation.

Turning to the point that the hon. Member for East Lothian made about whether we could have a better way, as I said, we do not have a federal model. This system is one that we use a lot, through things such as the joint ministerial committees. Next month, hopefully, I will go the December council to discuss fisheries. When I do that, Ministers from all the devolved Administrations will join me in the trilateral with the EU presidency and the Commission. We work through our differences and work together on particular issues, but in the final analysis if there is a dispute about a priority or we have to make a judgment call about whether to support a final agreement, it is for the UK to make that final decision. That is right because it is an international negotiation.

Amendment 119 would make a similar provision on defending the devolved settlement. As I said, we are clear that the powers we outline in clause 26(1) are fully reserved—they do not encroach on any of the devolution settlement at all. Therefore, there is no need to restate some of these matters.

The hon. Member for Stroud asked what will happen when we lay our WTO schedule. We have already laid our proposals for that. We have been in a long discussion with the European Union. The plan is to split the WTO schedule both on tariff rate quotas and on the aggregate measurement of support—the so-called amber box. It has already been decided that it will be split using a method based on historical use or an appropriate allocation of the size of our agriculture. That schedule has already been logged with the WTO in draft form. We are currently going through what are called article 28 discussions with some countries about certain issues they have raised. The process is clear: the amber box—the AMS schedule—is split and, as I said, we get around £3.5 billion of that. We are already going through the process of laying that, with the agreement of the EU.

**Dr Drew:** I must dredge my memory to recall what the different coloured boxes are. What the Minister has said is fine, as long as there is agreement in the four territorial Administrations on what the Westminster Government intend to offer them. What happens if there is no agreement? Will they make representations, perhaps directly to the WTO, to say that the allocation is unfair?

**George Eustice:** It would not be their position to make a representation to the WTO, because it is a UK schedule. As I said, in clause 26(2) we set out a process for agreeing an allocation of the amber box—the aggregate measurement of support—and we set out a disputes process. On classification, there is also some confusion, and we will come on to bits of that later. A lot of the support, such as the coupled support that takes place in Scotland, is not even amber box; it currently comes under what is called blue box, which is a departure from the traffic light analogy.

In WTO rules there is a red box, which means that something is banned and cannot be used at all; a green box, which is for the agri-environment-type schemes; an amber box, which is for anything that might be trade-distorting; and, finally, blue box, for anything that may have some trade impact, but that is not the primary objective, and that does not distort in a large way. Scotland's coupled support on beef and sheep currently fits within blue box, so it does not even use up any of the amber box allocation. The types of support that use up amber box allocations might be some of the intervention powers, particularly market intervention, which involve buying up surplus products and placing them in storage. That type of intervention is what we mean by amber box.

Some of the concerns that NFU Scotland has expressed are partly founded on a misconception about where its current coupled support schemes sit in the WTO schedules.

**Deidre Brock:** Is the Minister saying that voluntary coupled support schemes, which only Scotland takes up the option of implementing, count not as amber box subsidies but as blue box subsidies?

**George Eustice:** That is correct, yes. There is a bit of a misconception there.

2.30 pm

We have been clear. Early on, there was a discussion about whether we should claim the full size of our amber box, because—let us face it—it is about €3.6 billion, so around £3 billion. We all know that there will be other constraints on how much we can spend before we start to spend that amount of money on trade-distorting issues, but it is important to have that option. If we want to experiment with some of the policies we outline on supporting animal welfare—innovative new policies that WTO rules might not have foreseen when they were dreamed up decades ago—it is important to have that option to facilitate innovative policy. That is why we have been clear that we will take our full share of the AMS amber box.

Amendment 96 is similar and simply says that we should not affect the devolution settlement in the way we exercise those powers. I assure the hon. Member for Gower that that will not happen, for the reasons I have outlined. The power is explicitly combined with a reserved purpose, which is compliance with the United Kingdom's agreement on agriculture. We are absolutely crystal clear that agriculture policy is a devolved matter and that each devolved Administration will be able to design their own policy.

My hon. Friend the Member for Ludlow raised the linked cross-border issue about the potential for some farmers to make a claim in each Administration. We manage that situation now—I know some people would say that it can cause difficulties—and there are already administrative agreements around the UK between England and Wales and England and Scotland about how we manage those cross-border applications. A similar administrative agreement will be easy to roll forward. We already have some divergence in the types of policies in the various parts of the UK, particularly in the pillar 2 schemes, and it will certainly be possible to manage those cross-border situations.

That important issue has been highlighted several times in the debate, but I hope I have reassured the Committee that it is tightly prescribed around a reserved matter. I hope the hon. Member for Edinburgh North and Leith will withdraw her amendment on that basis.

**Deidre Brock:** I am sorry to disappoint the Minister, but I will press the amendment to a vote. We feel strongly that the matter requires the Scottish Parliament's consent. It concerns the implementation of international obligations that are devolved. Ultimately, the Minister has described a situation where there is not agreement, but an imposition of the Secretary of State's views whenever there is a dispute—and with the best will in the world, such things happen. I would like to see a mature approach, which is how the Scottish Trade Minister described the Canadian solution for its trade dealings with its territories and provinces yesterday in the Scottish Affairs Committee. That is what we should strive for, rather than looking to change a system.

Clause 26 contains provisions that affect the Executive confidence of Scottish Ministers as regards the exercise of functions concerning agricultural support in Scotland. We acknowledge that for some elements of the WTO obligations, decisions need to be taken for the whole UK, but that does not suddenly convert this into a reserved policy area, which is what I think the clause does. Establishing the UK-wide arrangements for allocating the financial ceilings under the WTO agreement concerns devolved matters and certainly requires the Scottish Parliament's consent. I repeat that, although such decisions could be taken on a UK-wide basis, that should be done only on the basis of consent, as per the allocation of competences implicit in the Scotland Act 1998. I will press the amendment to a vote.

**Dr Drew:** We will support the amendment, but we would also like to press amendment 119 to a vote.

*Question put,* That the amendment be made.

*The Committee divided:* Ayes 7, Noes 8.

**Division No. 17]**

**AYES**

| | |
|---|---|
| Antoniazzi, Tonia | McCarthy, Kerry |
| Brock, Deidre | Martin, Sandy |
| Debbonaire, Thangam | |
| Drew, Dr David | Whitfield, Martin |

**NOES**

| | |
|---|---|
| Clark, Colin | Harrison, Trudy |
| Davies, Chris | Huddleston, Nigel |
| Dunne, Mr Philip | Stewart, Iain |
| Eustice, George | Tracey, Craig |

*Question accordingly negatived.*

*Amendment proposed*: 119, in clause 26, page 20, line 36, at end insert—

'(1A) Regulations under this section containing provisions extending to Scotland, Wales or Northern Ireland that would ordinarily be within the competence of Scottish or Welsh Ministers or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland and exercised by Scottish or Welsh Ministers or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland may be made only with the consent of Scottish or Welsh Ministers or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland, as appropriate.

(1B) This paragraph does not apply to regulations made by the Secretary of State under—

(a) section 35 or 58 of the Scotland Act 1998 (as amended),

(b) section 82 or 114 of the Government of Wales Act 2006 (as amended), or

(c) section 25 or 26 of the Northern Ireland Act 1998 (as amended).'—*(Dr Drew.)*

*In order to preserve the principle that agriculture is a devolved matter, this amendment would ensure that the Secretary of State may only make regulations to secure compliance by the UK with the WTO Agreement on Agriculture with the consent of Scottish or Welsh Ministers or the Department of Agriculture, Environment and Rural Affairs in Northern Ireland.*

*Question put,* That the amendment be made.

*The Committee divided:* Ayes 7, Noes 8.

**Division No. 18]**

**AYES**

| | |
|---|---|
| Antoniazzi, Tonia | McCarthy, Kerry |
| Brock, Deidre | Martin, Sandy |
| Debbonaire, Thangam | |
| Drew, Dr David | Whitfield, Martin |

**NOES**

| | |
|---|---|
| Clark, Colin | Harrison, Trudy |
| Davies, Chris | Huddleston, Nigel |
| Dunne, Mr Philip | Stewart, Iain |
| Eustice, George | Tracey, Craig |

*Question accordingly negatived.*

**Dr Drew:** I beg to move amendment 120, in clause 26, page 21, line 15, leave out paragraph (b).

**The Chair:** With this it will be convenient to discuss amendment 121, in clause 26, page 21, line 25, after subsection (5) insert—

'(5A) In setting limits for domestic support, the Secretary of State must not set limits for different classes of domestic support in relation to Scotland, Wales or Northern Ireland."

*In order to preserve the principle that agriculture is a devolved matter, these amendments would ensure that the Secretary of State may not make regulations setting limits for different classes of domestic support in Scotland, Wales or Northern Ireland.*

**Dr Drew:** Amendment 120, in which we seek a more definite requirement of the Minister, follows on directly from the previous amendment. It effectively recognises, given that agriculture is a devolved matter—not a reserved one—in the devolution settlement, that the Secretary of State should not have the power to set different limits for different classes of domestic support.

Amendment 121 seeks to preserve the devolution settlement and respect the fact that agriculture is a devolved matter. It would prevent the Secretary of State from making regulations that set different levels for different classes of domestic support for Scotland, Wales and Northern Ireland—that is important. We are disappointed to have lost the previous vote, but we will continue to make the point that in order for the Bill not to be England only, it must take account of the other three territorial Administrations.

The Scottish Government have already suggested that a future Secretary of State could put a constraint on their funding, in particular for issues such as the less favoured area support scheme, which, it might be decided, the Scottish Government are using in an uncompetitive way. That has been picked up by the National Farmers Union Scotland, which sought legal opinion on the issue. It suggested that the wording in the Bill creates the theoretical possibility that a UK Secretary of State could, in the future, put regulations in place over and above its obligations as per article 6 of the WTO agreement on agriculture, which is causing consternation north of the border. Without asking the Minister for a legal opinion, I would be interested—and it is important—at least to get the Minister's understanding, given the consternation already being caused north of the border, of how, if we do not accept the amendments, the possible imposition could occur.

If the provision goes through as currently drafted, Scottish Ministers will not have the freedom to apply domestic support as they see fit, particularly given that, as the Minister has said, the United Kingdom is the competent authority to apply to the WTO. Presumably, once the matter has been placed before the WTO, the amounts that each Administration could spend on its agriculture would be laid down—not just identified but laid down as tablets of stone. It would be difficult to change.

It would be interesting to know how things stand under the devolution settlement in that regard. If and when we get to Brexit, and when the WTO application with its agricultural implications is put in, the debate about the effect on the devolution settlement will be interesting. We have grave fears about the UK Secretary of State being given the power to decide what moneys will be spent and how. It could be decided that certain measures were unfair to England or to another territorial area.

The National Farmers Union of Scotland believes that a dangerous precedent would be set, and that it would be different from what was understood under the devolution settlement; it would compromise it, and put financial ceilings on the money that could be allocated to agriculture. That is why we have tabled the amendment, and why we consider the issue to be an important one, which the Minister must address on behalf of the Government.

Clearly, there could be further investigation on Report, in relation to the amendment. Perhaps the issue is one of those where we might—I shall say it quietly—look for a statutory instrument to clarify what happens. However, something has to be done to give the other territorial Administrations security, and certainty that they will not face the imposition I have set out. The Minister talked about the different boxes and gave a good history lesson on what they all mean, but what I am talking about matters, because the flexibility of each Administration will be constrained by the application to the WTO and the way the Government interpret that.

We happen to agree with the National Farmers Union of Scotland that what is proposed would undermine the devolution settlement, which is why I am happy to be speaking to amendments 120 and 121. We would have dealt with the matter more comprehensively in the form of new clause 13 but sadly, for reasons known to the powers that be, it was not selected and we have had to table the amendments. I accept that the change under the amendments would be quite minor.

We should like a wider debate, perhaps, on more of a wholesale improvement to the Bill, to go through how we would approach the question. That matters because we are not many months away from the Brexit settlement; if it is at the end of March—and who knows the day?—we will have to be quick. The Minister said we have already made an application, but we shall have to substantiate the allocation quickly.

I hope that the Minister will consider the issue and agree that we have a point. I know that he cannot give a legal response, but perhaps he will at least give us some assurance that he has listened and can act on the matter in view of the effect that there might otherwise be on the three other territorial Administrations and, indeed, England, which could be suitably constrained if we had some form of devolution in England—perhaps one day we shall. We can but dream. The reality is that we need to know such things before the Bill passes into statute.

2.45 pm

**George Eustice:** These are interesting amendments. It is more around the interpretation of the clause, and I want to reassure hon. Members that there is not some secret plan to start setting limits where they are not appropriate. The real purpose of subsection (4)(b) is to enable us to set limits in future: it is really a future-proofing clause. If at some point in the future the WTO placed limits on blue box or green box, on which there are no limits now, it would enable us to set limits for those other classes in that future scenario.

To be clear about the definitions here, when we talk about classes of support, we do not mean a particular type of coupled payment or a severely disadvantaged payment. We actually mean blue box, amber box or green box. We mean classes of support in the context of the WTO definitions of classes of support. We are not in the business of saying people cannot have that headage payment or this headage payment. We are simply saying that we could set limits on those other classes should, at a future date, the WTO rules evolve to the point that they have those.

I hope I have reassured the Committee that there is nothing beyond that. To be clear, if we were to set a limit on the use of blue box at the moment, using the power in subsection (4)(b), that would be illegal, because it would breach subsection (1), which is absolutely clear on the purpose. The purpose is for

"securing compliance…with the Agreement on Agriculture."

If there is no limit on blue box spending in the agreement on agriculture—and there is not at the moment—then there would be no limit on the amount of blue box that a devolved Administration could spend and there would be no way, even using that clause, for the UK Government to place such an arbitrary limit that went above and beyond the agreement on agriculture. I hope I can reassure the hon. Member for Stroud of our intention. This is largely a technical, future-proofing clause to take account of the fact that there may be an evolution in WTO rules.

As the hon. Gentleman was talking, I looked at subsection (9) to see whether there was clarity about the definition. Before Report, I will look at whether it might be appropriate in that subsection, which is around definitions, to be clearer about what we mean by "class of support". We define what "domestic support" means, but "class of support" could be misinterpreted. I will talk to our lawyers and parliamentary counsel on that technical matter to see whether there is a need for that clarity to be given and come back to the House on that matter on Report. I hope, having made that offer, the hon. Gentleman might not press these two amendments.

**Dr Drew:** I suppose half a loaf is better than none, given that we are talking about food. I welcome that latter compromise. It is good to know that the Government are willing to compromise where we think an improvement could be made.

I am a wee bit worried about the way that the devolution settlements are going to be somewhat altered, in terms of the way in which the WTO application will need to be visited quite carefully. Who can tell what the future will bring in terms of the box arrangements, whether it is the blue, amber, green or red box? The problem with it is that, in a sense, we can only pass legislation today but the Minister is trying to pre-empt what might happen in the future. I am worried about this and I urge him, having offered us half a loaf, at least to look at whether we can define this in terms of what the devolution settlements say. I think there is the possibility, as the NFUS says, of some future dispute if the territorial Administrations decide on different levels of spending on their agriculture. Clearly, they cannot be outwith any WTO arrangement, because they will be subject to the penalty clauses that the WTO brings forward in due course. However, we know that takes years, so a difficult situation may arise whereby we have tension between the different Administrations with responsibility for agriculture yet we are trying to devise a settlement that fixes amounts for them all.

I will not press amendments 120 or 121 to a vote. We think we have got somewhere on amendment 121—the Minister will look at subsection (9) to see whether classes of support can be better defined, and we look forward to seeing the outcome of that. However, I urge him to look at how the arrangement will work and at least take cognisance of the legal judgment that the NFUS received, because this is an area of possible conflict. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Amendment proposed*: 69, in clause 26, page 21, line 26, leave out subsection (6).—*(Deidre Brock.)*

*This amendment would remove the requirement to provide information to the Secretary of State.*

*Question put,* That the amendment be made.

*The Committee divided:* Ayes 7, Noes 8.

**Division No. 19]**

**AYES**

| | |
|---|---|
| Antoniazzi, Tonia | McCarthy, Kerry |
| Brock, Deidre | Martin, Sandy |
| Debbonaire, Thangam | Whitfield, Martin |
| Drew, Dr David | |

**NOES**

| | |
|---|---|
| Clark, Colin | Harrison, Trudy |
| Davies, Chris | Huddleston, Nigel |
| Dunne, Mr Philip | Stewart, Iain |
| Eustice, George | Tracey, Craig |

*Question accordingly negatived.*

*Question proposed,* That the clause stand part of the Bill.

**George Eustice:** We have discussed this issue in detail, so I do not intend to say much. Clause 26 is all about the UK Government's being able to fulfil our obligations under international law—to demonstrate compliance with WTO rules and demonstrate that we abide by the limits set out in our WTO schedule. I shall not repeat our detailed debate on the amendments.

**Dr Drew:** I do not intend to delay the Committee for long, either, but the clause is important and detailed. I accept that the Minister is prepared to make improvements to subsection (9), which we welcome.

Again, the clause in a sense pre-empts what may happen after March. It is important that we know what elephant traps there may be if we do not get this right.

We have concentrated on the impact on the territorial Administrations, but there is a wider impact. The Minister may choose to intervene to give us some idea of the timescale of the WTO application. Understandably, the Government have already put in a draft schedule, but it would be interesting to know for what period we will be without any protection. We will be outside the EU, although we will be in a transitionary period—presumably that transitionary arrangement will cover us. It would be interesting to know whether we have got to have the WTO application accepted when the transitional arrangement with the EU comes to an end. The Minister might care to intervene on me to tell me that, because I personally do not know—*[Interruption.]* Or not, as the case may be. I will leave that as a question for some future date.

It is important that we know what that arrangement is, because we could be outwith any protection. Food is a pretty important area, and all sorts of substandard food could come in—dare I say it?—legally, so we want protection. The Minister has heard that and perhaps needs to think about it a bit. We need to know the timescales; otherwise we will return to this issue on Report with an amendment to ask the Government to explain what the timescales could be, and what happens if we do not get them right.

**George Eustice:** As I said earlier, we have already got an agreement with the EU—we have been working with it for well over 12 months—on splitting the EU schedule. There will be a UK schedule setting out all our agricultural tariff rate quotas—TRQs—and our share of the amber box. That has already been laid with the WTO and is now going through what is called an article 28 process, in which there are technical-level discussions with other members of the WTO who might have questions. Once it is laid, it is laid, and it does not have to be certified to take effect. Whether or not it is certified and agreed by every member of the WTO is largely inconsequential. It is the schedule that we will work to from the end of March 2019 in the event of a no-deal Brexit. If there is an agreement and an implementation period, we would continue to work within the EU framework.

**Dr Drew:** I ask that not because it is hypothetical. I understand that Australia and New Zealand already have complaints in the WTO about sheep. The Minister is nodding.

**George Eustice:** Yes, of course. The WTO is not a supranational institution like the EU, in which there are infraction proceedings; it is a dispute-resolution process, and is often used by certain countries to try to secure advantages. Typically, when the EU has an accession country coming in—when we have had EU enlargements—the amended schedule that it tables can sit unagreed and uncertified for about a decade, but it is still worked to. The WTO works at an even slower pace than the European Union, but because it is a looser framework—effectively, a dispute-resolution process—there is plenty of latitude for us to lay our schedule and work towards it for as many years as it takes before people finally sign it off and agree it.

**Dr Drew:** I thank the Minister for that; that is very useful. It is just a strange world if we have already had a complaint before we have joined. They are getting their retaliation in first. These issues matter. Sheep will be an important variable if we leave the EU the way we could do, because we would be subject to the end of New Zealand's quota arrangement. Australia, in particular, will want to send a lot more sheep into this country, because it thinks it can do it cheaper and better. That has a huge implication for Wales and Northern Ireland, although perhaps less so for Scotland. These issues matter, and we need to know what the full implications are.

I do not have anything more to add, other than—dare I say it?—caveat emptor. We need to be aware that what is potentially coming is quite complicated, and that we have got to keep lots of balls in the air, particularly for the devolved Administrations, which could lose out if we are not careful in how we draft the completed application to the WTO.

**Deidre Brock:** We are not happy with the clause. It gives the Secretary of State powers over the devolved Administrations that are not necessary or appropriate. It allows him to be the final arbiter in future disputes about the nature of domestic support. As I have said before, this is about respect for the devolved Administrations, which I find sadly lacking in this clause. I urge the Minister to revisit it, and we will be re-examining it on Report.

*Question put and agreed to.*

*Clause 26 accordingly ordered to stand part of the Bill.*

## Clause 27

### Wales

*Question proposed,* That the clause stand part of the Bill.

3 pm

**George Eustice:** I do not think we need to spend too long on this clause, which is a single sentence that is a pointer to schedule 3. We have included all the provisions for Wales in schedule 3, at the request of the Welsh Government. There are a number of Government amendments to schedule 3, which I will talk to in more detail in a moment.

*Question put and agreed to.*

*Clause 27 accordingly ordered to stand part of the Bill.*

## Schedule 3

### Provision relating to Wales

**George Eustice:** I beg to move amendment 19, in schedule 3, page 33, line 21, at end insert "(unless section 29(4A) applies)".

*See the Explanatory Statement for Amendment 2.*

**The Chair:** With this it will be convenient to discuss Government amendments 20, 21, 92, 110 and 22 to 27.

**George Eustice:** I can be relatively quick on this group of Government amendments, which are all a consequence of other, largely technical, amendments that we made to earlier parts of the Bill. We have discussed them with the Welsh Government, and they

*[George Eustice]*

have confirmed that they would like to make the same amendments in their schedule, since often they are to fix technical issues.

Broadly speaking, amendments 19, 22, 23, 26 and 27 are linked to our original amendment 14, which effectively corrected the issue about when it is appropriate to use the negative resolution or the affirmative resolution procedure. The amendments make technical corrections to make sure that we do not end up requiring the wrong type of procedure.

Amendment 20 is similar to an amendment that we introduced for England. It is a simple one-year fix that enables a national ceiling to be set, so that the modulation on the legacy schemes can be done. Wales currently modulates at a rate of 15%, compared with 12% in England, so it is important for them to have the power to be able to do that modulation in that particular year.

Amendment 21 is about giving the Welsh Government the powers that they need, as we introduced for England, to set a financial ceiling to be able to continue to make direct payments after we leave the European Union. As I think I explained when we had a discussion in the context of Scotland, in the absence of a paragraph of this nature, the ability to make basic payment scheme payments falls away from 2020.

Amendment 92 is a technical amendment clarifying the difference between a de-linked payment and a direct payment to ensure that there is a proper reference point for the de-linked payment. Amendments 24, 25 and 110 are largely corrections. I did not explain this when we covered it earlier, but amendment 25 will change the words "market decisions" to "market conditions". That was a simple typo or a rogue spell-check interruption in the drafting process.

*Amendment 19 agreed to.*

*Amendments made:* 20, in schedule 3, page 33, line 21, at end insert—

"6A (1) The Welsh Ministers may by regulations make provision for and in connection with reducing the national and net direct payments ceilings for Wales that would otherwise apply in 2020 by up to 15%.

(2) For this purpose—

the "national direct payments ceiling for Wales" is the sum representing the share allocated to Wales of the amount specified for the United Kingdom in Annex II of the Direct Payments Regulation (table of national ceilings);

the "net direct payments ceiling for Wales" is the sum representing the share allocated to Wales of the amount specified for the United Kingdom in Annex III of the Direct Payments Regulation (table of net ceilings).

(3) Regulations under this paragraph cannot be made after the end of 2020.

(4) Regulations under this paragraph are subject to affirmative resolution procedure.".

*This amendment makes the same provision for Wales as that made by NC2 for England.*

Amendment 21, in schedule 3, page 33, line 21, at end insert—

"6B (1) The Welsh Ministers may by regulations modify legislation governing the basic payment scheme to make provision for and in connection with securing that the basic payment scheme continues to operate in relation to Wales for one or more years beyond 2020 (subject to any provision made under paragraph 7).

(2) The power conferred by sub-paragraph (1) includes power to provide for the direct payments ceiling for Wales for any relevant year to be determined, in a specified manner, by the Welsh Ministers.

(3) Provision made by virtue of sub-paragraph (2)—

(a) must require a determination in respect of a relevant year to be published as soon as practicable after it has been made, and

(b) may confer functions on any person in connection with, or with the making of, a determination in respect of a relevant year.

(4) In this paragraph—

"the direct payments ceiling for Wales" is the national ceiling of the kind referred to in Article 6 of the Direct Payments Regulation that is applicable in relation to Wales for any relevant year;

"relevant year" means a year within the agricultural transition period for Wales in respect of which direct payments under the basic payment scheme fall to be made in relation to Wales;

"specified" means specified in regulations under this paragraph.

(5) Regulations under this paragraph are subject to affirmative resolution procedure.".

*This amendment makes the same provision for Wales as that made by NC3 for England.*

Amendment 92, in schedule 3, page 33, line 28, leave out paragraph (b) and insert—

"(b) making delinked payments in relation to Wales with respect to the whole or part of that period (in place of direct payments under the basic payment scheme in relation to Wales).".

*This amendment makes the same provision for Wales as that made by Amendment 91 for England.*

Amendment 110, in schedule 3, page 34, line 29, leave out first "above" and insert

"(whether before or after the start of the agricultural transition period for Wales)".

*This amendment brings the text of paragraph 7(8) of Schedule 3 into line with that for the equivalent provision in relation to England.*

Amendment 22, in schedule 3, page 35, line 22, at end insert "(unless section 29(4A) applies)".

*See the Explanatory Statement for Amendment 2.*

Amendment 23, in schedule 3, page 36, line 14, at end insert "(unless section 29 (4A) applies)".

*See the Explanatory Statement for Amendment 2.*

Amendment 24, in schedule 3, page 40, line 32, leave out "may".

*This amendment makes clear that paragraph 16(2) of Schedule 3 is intended to set out the only circumstances in which the Welsh Ministers may make a declaration stating that there are exceptional market conditions. The amendment brings the provision for Wales into line with that for England.*

Amendment 25, in schedule 3, page 41, line 5, leave out "decisions" and insert "conditions".

*This amendment corrects the same error as that corrected by Amendment 6.*

Amendment 26, in schedule 3, page 42, line 31, at end insert "(unless section 29(4A) applies)".

*See the Explanatory Statement for Amendment 2.*

Amendment 27, in schedule 3, page 44, line 33, at end insert "(unless section 29(4A) applies)".—*(George Eustice.)*

*See the Explanatory Statement for Amendment 2.*

*Question proposed,* That the schedule, as amended, be the Third schedule to the Bill.

**George Eustice:** This is an important schedule to the Bill. We have been asked to include it by the Welsh Government, who are keen to ensure that they have the right powers in place to implement their own domestic policy. They have been clear that, in the medium to longer term, they would introduce new legislation through the Welsh Assembly to implement future policy. However, these powers, which are similar to those already outlined in the Bill, will enable them to continue in the meantime to make payments under the legacy basic payment scheme and also to start designing their new policy.

It is important to note that, just because the Welsh Government have taken broadly the same powers as England through the schedule—almost a carbon copy of those which the Bill has for England—it does not mean that their policies will remain identical. Indeed, the policies may well diverge quite considerably, because these are enabling powers in an enabling Bill that will give the Welsh Government the power to design their own schemes that will work for their own topography and the Welsh farming industry.

*Question put and agreed to.*

*Schedule 3, as amended, accordingly agreed to.*

## Clause 28

NORTHERN IRELAND

*Question proposed,* That the clause stand part of the Bill.

**George Eustice:** As with clause 27, we need not spend too long considering this clause. It is another single-line clause and it gives effect to schedule 4, which relates to Northern Ireland and has been requested by the Department of Agriculture, Environment and Rural Affairs, the environment Department of the Northern Ireland Administration.

*Question put and agreed to.*

*Clause 28 accordingly ordered to stand part of the Bill.*

## Schedule 4

PROVISION RELATING TO NORTHERN IRELAND

**George Eustice:** I beg to move amendment 28, in schedule 4, page 44, line 39, leave out "paragraph 2" and insert "paragraphs 2 to 2C".

*This amendment is consequential on Amendments 36 to 38 which insert three new paragraphs into Part 1 of Schedule 4. The amendment provides that expressions explained or defined in paragraph 1 also apply in relation to those new paragraphs.*

**The Chair:** With this it will be convenient to discuss Government amendments 29 to 40.

**George Eustice:** This set of amendments, like previous ones, is largely about correcting drafting errors or making technical changes to reflect issues that we identified throughout the passage of the main part of the Bill.

Amendments 29 and 30 provide DAERA with powers to modify voluntary redistributive payments and areas of natural constraint payments, neither of which are currently made in Northern Ireland. Amendments 31, 32 and 38 define retained direct EU legislation related to the coupled support scheme and provide the option to continue and simplify or improve that scheme. That scheme is also not currently used in Northern Ireland, but the amendments ensure that a future Minister is not restricted on their choice of policy scheme.

Amendment 35 makes it clear that changes to basic payments—to improve or simplify—can include the continuation of taking steps towards reaching a flat rate of payment. Amendment 37 ensures that DAERA can continue direct payments after 2020 by enabling it to set ceilings after that scheme year. Amendment 36 allows DAERA to reduce the direct payments ceiling by up to 15% for Northern Ireland in 2020. Northern Ireland at the moment does not modulate at all between pillars 1 and 2.

All those amendments have been requested by DAERA because many of the policies are not ones that are used now—they are options in the CAP that have not been taken up under the Northern Ireland schemes. DAERA believes the powers to be permissive and that it is important for it to retain the option should a new Northern Ireland Administration be formed and decide that they want to take up those options. This is a sensible set of amendments to ensure that a future Administration in Northern Ireland will have the powers to pursue their policy choices.

**Dr Drew:** I will speak to the amendments, although my comments will relate more directly to schedule 4 generally. I might as well put the two together.

I do not have any particular problems with the Government amendments as such. They are just tidying-up amendments. However, as I have on previous occasions, I will raise at least an amber flag—we are still on boxes—about the situation in Northern Ireland. There are two aspects. First, Northern Ireland has no Administration, so the schedule has been agreed not with elected politicians but with DAERA itself—the officials. That might be because we have to face up to the fact that there is no Administration, but that poses the question of what will happen if and when there is an Administration. They will inevitably want to revisit the schedule, because they will want some political input.

Secondly, Northern Ireland is clearly different. This morning, people have spent rather a long time trying to prove the point that Northern Ireland is different—it has our one land border with an EU country, the Republic. Therefore, whatever we do in the Agriculture Bill is contingent on what that relationship entails. I have talked before about Baileys liqueur. The milk used in it crosses the border seven times. Joe Healy, the president of the Irish Farmers' Association, kindly told me that interesting fact—it is good for pub quizzes. There are all manner of other movements, such as southern pigs being slaughtered in northern abattoirs, or northern lambs being slaughtered and sold in the south. Such movements of animals and goods are integral to the way in which trade across the whole of that island has evolved since the Good Friday peace agreement, and given that we are both members of the EU and so have not had any borders.

*[Dr Drew]*

I know—as the Minister will no doubt confirm—that there are absolutely no plans at all to put in a physical border. That is the reality of the situation. If there are to be such plans, they will have to made very quickly, because DAERA has confirmed that it has no plans to put in a physical border. The best that it could come up with at this short notice is more inspections, wherever they might take place.

I am asking the Minister what clarity there is about passing a schedule that has no political input because, sadly, there is no Administration in Belfast. What are the safeguards regarding whatever comes out of today's EU agreement? Many of us would actually describe it as a non-agreement, because it is highly unlikely that this House will agree to the Prime Minister's proposals—but that is speculation and for the future. More particularly, we must look at how to address the possibility of no agreement or an agreement that threatens the current freedom of movement between Northern Ireland and the Republic.

3.15 pm

All the politicians I saw in the south thought a deal had been done two months ago—clearly, that deal has come back. They sought assurance that a customs union would be an absolute given, let alone some form of access to the single market. It will be interesting to know how that is affected by this schedule. That was the case across the five parties I met in the Republic. Speaking to the DUP here is slightly different; its members have made clear that this schedule does not have their consent. They feel strongly that they want to set their own agriculture policy, rather like Scotland, and they have not agreed to any reduction in direct payments because they do not sign up to the transition agreement. That is confirmed—dare I say it—by the officials, as I have said before in Committee.

We have a strange situation where officials cannot sign up to the schedule because they believe it is political, and the politicians say they do not want to sign up to it, yet the schedule implies that Northern Ireland has signed up to it. It is a confusing picture, to put it mildly. The schedule matters, because this is law—it could subsequently be changed or it could be subject to legal recourse if people feel that they have been done down. It is about money; both the politicians and the officials I have talked to say that they are not prepared to accept anything less than the £300 million that they had in direct payments, £195 million of which was in basic payments. That is out under the proposed scheme, which would move us towards environmental support.

My feeling and argument is that we have a differentiated agricultural policy coming into place in the United Kingdom. That will affect farmers here, in Northern Ireland, in Scotland and in Wales. We must know how this schedule will matter—its reality on the ground, not its theoretical legislative input as it is discussed in Committee. How will it operate on the ground? All the evidence I have is that Northern Ireland is not where we are in England. That is fine for Northern Ireland to say, but that has an impact on England. I am sure that English farmers will be very unhappy when other parts of the United Kingdom do completely different things to that which is expected of them. We can argue that we want them to move towards environmental support—that is the right thing to do—but there cannot be such a different system in one or more parts of the United Kingdom. That undermines what is happening in this part of the United Kingdom.

In the Northern Ireland Affairs Committee, all manner of questions have been raised by contributors to the various sessions it has had on the future of agriculture. Of course, in Northern Ireland it is a huge and important industry; it is not in England. One reads what they say and takes very careful note. People are very unhappy with the uncertainty; they are unhappy with some implications for land ownership, particularly tenancy arrangements. Hopefully, later in the Bill we will look at what security could be put in place for tenancy arrangements. People talk about the uncertainty they feel not just in general, but about how certain sectors will operate in future. They have had access to Michel Barnier to look at some of the agricultural issues, but they argue that they need more certainty.

Schedule 4 is fine in the sense that it has to be there. It puts in place a form of agriculture for Northern Ireland, but it has not been democratically agreed and it is not likely to withstand the test of time. I would be interested to know how the Minister intends to take this forward, if and when there is an Administration in Belfast, to see what degree of flexibility there is from the schedule as drafted.

**George Eustice:** I begin by paying tribute to the officials in the Department of Agriculture, Environment and Rural Affairs, which has some talented people working on its agriculture team. No one doubts that they face a difficult challenge. With all the changes we are going through as a country, they do not have an elected, political Administration in place. They are very conscious of that and, for that reason, they have been cautious in the powers they seek under this schedule.

It is also important to note that DAERA has not just sat back and decided that it can do nothing. In fact, DAERA produced the first report from any UK Administration setting out their broad thoughts on future policy. That report was drafted by stakeholders, bringing together the farming industry and others. DAERA shared a document with us that reflected the views that came from the farming industry, environmental non-governmental organisations and others about what the future direction might be. Even in the absence of that political Administration, it fed into this process with a paper that set out the views of stakeholders, to ensure that the interests of Northern Ireland farmers and agriculture were not overlooked.

Amendment 37 will ensure that DAERA is able to set ceilings to continue to make basic payment scheme payments after 2020. It is important to recognise how it has approached this. DAERA asked us to give it the powers to continue to make the basic payment scheme and existing legacy pillar 2 schemes and to take a power to modify those. It has not decided how it might use that power to modify, but if a new Administration came in who wanted to modify that, it has been clear that that future Administration should have that power. Crucially, it was clear that DAERA did not feel it appropriate for an unelected Administration and officials trying to steady the ship during this challenging period to take the powers outlined in clause 1, because those powers

are clear about a direction of travel and a switch to a payment for public goods, rather than the existing direct payment scheme. Therefore, it thought it would be inappropriate to take such a power without there being an elected Administration.

It is equally important to note that DAERA chose not to take the powers to have a transition period and phase out direct payments, for the reasonable reason that that would be a political decision that a future Administration must take. Its job, as a DAERA administration without a political Administration, is to ensure that it can provide continuity and that whatever is done is future-proofed, so that a future Administration may take over.

In essence, DAERA intends to carry on with the scheme that we have now and not make any changes at all, and to await a future political Administration, who may then take decisions about the future direction of Northern Ireland policy. I believe that officials in DAERA behaved impeccably to protect the interests of Northern Ireland farmers, to ensure that they continue to make payments, that officials have the power to set ceilings and also to future-proof the policy, so that there are some initial powers to assist.

**Deidre Brock:** I am curious about how the accounts for Northern Ireland agricultural funding are signed off in the absence of Ministers. Is that included in the schedule or an aspect of it? What sort of public accountability will there be?

**George Eustice:** We already have an organisation called the UK co-ordinating body, which is hosted by the Rural Payments Agency and works in collaboration with all the devolved Administrations on auditing and accounting issues under those EU schemes. We envisage that a body such as that would continue anyway, but there are already established principles in place within the UK civil service. It is important to recognise that, while we have different devolved Administrations, we have one civil service for the entire UK; civil servants working in the Scottish Government are as likely to get a transfer to work in a Whitehall Department as anywhere else. We have a single civil service, which is important to give some cohesion to our system.

I conclude by saying that this is an important schedule to include. In my view, DAERA has taken the correct approach of ensuring that it can continue to make payments to its farmers, while putting some powers in place for a future Administration. The answer to the shadow Minister's question is that, when there is another Administration, if they have bolder ambitions to change and transform their policy in the way we have outlined in clause 1 and that Wales has chosen to adopt on an interim basis, it will be open to them to introduce legislation through the Northern Ireland Assembly to give effect to their specific proposals.

**Dr Drew:** The Minister has been very candid there in saying that, effectively, Northern Ireland stays as it is at the moment. That would be fine if we knew an Administration were coming in before the transition arrangements for our own relationship with the EU come to an end, but potentially—in the worst-case scenario—there will be no Administration in Belfast for a considerable period. That would mean the agricultural system staying in place for as long as there was no Administration. We have, as I have always feared, an increasing focus on England as the basis of this Bill. Scotland does not have a schedule and will do its own thing; Wales will follow England, but may choose to do so in quite a slow manner; and Northern Ireland will stay the same until politicians decide to pick up the mantle again.

While the direction of travel toward environmental support is quite right, it is a bit worrying as we have a single market within the United Kingdom: if we are subsidising sheep farmers in Northern Ireland by direct payments, sheep farmers in Cumbria, who will not be receiving that support, will begin to worry. I know the argument is that they can pick up support.

**George Eustice:** I understand the point the hon. Gentleman is making, but he has to understand a number of points here. First, the basic payment scheme single farm payment is already de-linked from production. Nobody has to produce anything on the land to qualify for that payment. It is a de-linked payment—a subsidy for owning or controlling land.

Secondly, the hon. Gentleman must recognise that in our provisions for England we have set out a transition period that will run for seven years and it is our intention gradually to phase down the direct payments. That will not be an overnight change, but a gradual divergence. I hope that at some point within that seven-year transition period we will at least see a new Administration in Northern Ireland, because in the absence of such an Administration we will have many more problems besides the fact that they have not been able to update their agricultural policy.

Finally, in the context of Northern Ireland specifically, it might well be the case that a future Administration choose to keep a closer eye than will other parts of the UK on future policy in the Republic of Ireland through the common agricultural policy, for the very reasons the hon. Gentleman pointed out: Northern Ireland shares a land border with the Republic of Ireland and there is a lot of transfer of goods across that border. Therefore, ensuring that there is some recognition of the type of farm support in the Irish Republic is more important for farmers in Northern Ireland than for those in other parts of the UK.

**Dr Drew:** Again, I find that very instructive, and I do not disagree with anything the Minister says, but this is more and more a curate's egg. The problem is that we are dependent upon an Administration being in place—at some time—who will follow where we are going in England; otherwise, there will be issues of conflict.

The Minister is right that payment is de-linked, but not to the extent that farmers in Northern Ireland will receive basic payments for whatever we choose, or whatever they choose, or whatever DAERA chooses, or whether that is—in a sense—a form of direct rule. We could impose them, but that would go back to the fact that, effectively, there was an imposition on a part of the United Kingdom by the UK Government into a territorial Administration. It opens up a whole can of worms in that respect.

3.30 pm

There is no easy solution to this situation. We need an Administration back in Belfast. Again, however, what about the timescale? The Minister is right about the transitional arrangement, but he also said, of course, as was confirmed to me, that there is no transitional arrangement. There is no mechanism by which the payment system can be changed, because that is political. So, we have clearly laid out here—not so much in the schedule as in what the Minister has said—a differentiated agricultural system as between England and Northern Ireland.

Obviously, we have had the Godfray report this week, which we will no doubt revisit. That is because one of the points it makes about conditions within the cattle market, with cattle moving between auction marts and sell-on for very small sums of money, might be something we have to take account of in the relationship between Northern Ireland and the rest of the United Kingdom.

The Minister has to be aware of that. We cannot change the schedule, because there is no opportunity to do so, but I hope that he at least talks to the Democratic Unionist party, which has some clear views on what should be agreed. Again, the DUP is not in power in Northern Ireland, but its Members are here and they have some strong views. The Government seem to have worked with and through the DUP, or they did until today, and it might have been quite useful to have had a DUP Member on this Committee, given that Scotland and Wales are represented. We could have done with one of the DUP Members being here to clarify exactly what the DUP was prepared to accept in the schedule. As it is, we have to rely on what we have been told and—essentially—on what we speculate, but this is a difficult situation and one that the Bill might not help, but could make worse. We will have to see.

I have little more to say. Obviously, we will not demand that the schedule be withdrawn, because that would be completely counterproductive. However, I worry about where we have got to and I think that this issue will be one we come back to on Report and—dare I say it?—it will be looked at in the other place, which will carefully consider how the different territorial Administrations are affected by their own choices regarding the devolved matter of agriculture in relation to England.

**George Eustice:** I do not have a great deal more to add. I think that I have explained the rationale for DAERA requesting the powers it has requested, and this has been an interesting debate on that matter. Obviously, in the long term, the solution is to get a political Administration back up and running in Northern Ireland, but sadly that is not an issue we can address through consideration of the Bill.

*Amendment 28 agreed to.*

*Amendments made:* 29, in Schedule 4, page 45, line 5, leave out paragraph (a) and insert—

(a) a basic payment for farmers (see Chapter 1 of Title III),"

*This amendment and Amendment 30 make clear that references in paragraphs 2 to 2B of Schedule 4 to the "basic payment scheme" include arrangements (if any) for direct payments to include a voluntary redistributive payment or payment for areas with natural constraints. Neither of these payments is currently made in Northern Ireland, but the amendments mean that if they are made in future years, the power to make provision for the purpose of simplifying or improving the operation of the basic payment scheme could include provision about these payments.*

Amendment 30, in Schedule 4, page 45, line 8, at end insert—

( ) if a decision to make such payments is taken, a redistributive payment (see Chapter 2 of Title III), and

( ) if provision under paragraph 2(1)(b) is made, a payment for areas with natural constraints."

*See the Explanatory Statement for Amendment 29.*

Amendment 31, in Schedule 4, page 45, line 8, at end insert—

'( ) The "coupled support scheme" is the voluntary coupled support scheme under the Direct Payments Regulation as the Regulation applies in relation to Northern Ireland (see Chapter 1 of Title IV of the Regulation)."

*This amendment defines "coupled support scheme" which is the subject of Amendment 38.*

Amendment 32, in Schedule 4, page 45, line 18, at end insert—

'( ) The "legislation governing the coupled support scheme" is—

(a) the following retained direct EU legislation—

(i) the Direct Payments Regulation so far as relating to the coupled support scheme,

(ii) any Council Delegated Regulation, or Commission Delegated Regulation, made under the Direct Payments Regulation and so far as relating to the coupled support scheme,

(iii) any other retained direct EU legislation which relates to the coupled support scheme, and

(b) any subordinate legislation relating to retained direct EU legislation falling within paragraph (a)."

*This amendment defines "legislation governing the coupled support scheme" which is the subject of Amendment 38.*

Amendment 33, in Schedule 4, page 45, line 19, leave out sub-paragraph (4)

*This amendment removes the definition of "direct payment" because it is not needed: the only references to direct payments in paragraphs 2 to 2B refer to them as being payments under the basic payment scheme.*

Amendment 34, in Schedule 4, page 45, line 32, leave out "II" and insert "III"

*This amendment corrects a cross reference to the Direct Payments Regulation.*

Amendment 35, in Schedule 4, page 45, line 40, at end insert

"(b) ensuring all payment entitlements, or all payment entitlements within a region, have, or over a period of time reach or move towards, a uniform unit value.

In paragraph (b) the reference to "payment entitlements" has the same meaning as in the legislation governing the basic payment scheme."

*This amendment makes clear that changes to the basic payment scheme made in order to improve or simplify the scheme can include making changes that will continue the taking of steps towards reaching a flat rate of payment.*

Amendment 36, in Schedule 4, page 45, line 42, at end insert—

2A (1) DAERA may by regulations make provision for and in connection with reducing the national and net direct payments ceilings for Northern Ireland that would otherwise apply in 2020 by up to 15%.

(2) For this purpose—

the "national direct payments ceiling for Northern Ireland" is the sum representing the share allocated to Northern Ireland of the amount specified for the United Kingdom in Annex II of the Direct Payments Regulation (table of national ceilings);

the "net direct payments ceiling for Northern Ireland" is the sum representing the share allocated to Northern Ireland of the amount specified for the United Kingdom in Annex III of the Direct Payments Regulation (table of net ceilings).

(3) Regulations under this paragraph cannot be made after the end of 2020.

(4) Regulations under this paragraph are subject to affirmative resolution procedure."

*The new paragraph 2A inserted by this amendment makes the equivalent provision for Northern Ireland as that made by NC2 for England.*

Amendment 37, in Schedule 4, page 45, line 42, at end insert—

2B (1) DAERA may by regulations modify legislation governing the basic payment scheme to make provision for and in connection with securing that the basic payment scheme continues to operate in relation to Northern Ireland for one or more years beyond 2020.

(2) The power conferred by sub-paragraph (1) includes power to provide for the direct payments ceiling for Northern Ireland for any relevant year to be determined, in a specified manner, by DAERA.

(3) Provision made by virtue of sub-paragraph (2)—

(a) must require a determination in respect of a relevant year to be published as soon as practicable after it has been made, and

(b) may confer functions on any person in connection with, or with the making of, a determination in respect of a relevant year.

(4) In this paragraph—

"the direct payments ceiling for Northern Ireland" is the national ceiling of the kind referred to in Article 6 of the Direct Payments Regulation that is applicable in relation to Northern Ireland for any relevant year;

"relevant year" means a year in respect of which direct payments under the basic payment scheme fall, as a result of provision under sub-paragraph (1), to be made in relation to Northern Ireland;

"specified" means specified in regulations under this paragraph.

(5) Regulations under this paragraph are subject to affirmative resolution procedure."

*The new paragraph 2B inserted by this amendment makes the equivalent provision for Northern Ireland as that made by NC3 for England.*

Amendment 38, in Schedule 4, page 45, line 42, at end insert—

2C (1) DAERA may by regulations modify legislation governing the coupled support scheme for or in connection with—

(a) making provision for the continuation, in relation to Northern Ireland, of the option to make payments under the scheme after any time at which, without the provision, the option would terminate;

(b) making changes DAERA considers will simplify or improve the scheme so far as it operates, or could be operated, in relation to Northern Ireland.

(2) Regulations under this paragraph are subject to affirmative resolution procedure."

*The new paragraph 2C inserted by this amendment provides a power to make regulations modifying the Direct Payments Regulation and connected legislation, as it applies in Northern Ireland and so far as relating to the coupled support scheme, so that the option to operate a voluntary coupled support scheme may be continued into the future and the scheme simplified or improved.*

Amendment 39, in Schedule 4, page 46, line 16, at end insert "(unless section 29(4A) applies)"

*See the Explanatory Statement for Amendment 2.*

Amendment 40, in Schedule 4, page 54, line 15, at end insert "(unless section 29(4A) applies)"—*(George Eustice.)*

*See the Explanatory Statement for Amendment 2.*

*Schedule 4, as amended, agreed to.*

## Clause 29

### Regulations

*Amendment made:* 14, in clause 29, page 23, line 3, at end insert—

"(4A) Regulations which—

(a) contain provision made by virtue of subsection (3)(c) modifying primary legislation, and

(b) would, apart from this subsection, be subject to negative resolution procedure,

are subject to affirmative resolution procedure."—*(George Eustice.)*

*This amendment provides that regulations under Clause 29(3)(c) which make supplementary, incidental, consequential, transitional or saving provision modifying primary legislation are subject to the affirmative resolution procedure.*

**George Eustice:** I beg to move amendment 15, in clause 29, page 23, line 35, at end insert—

"( ) Section 41(3) of the Interpretation Act (Northern Ireland) 1954 applies in relation to the laying of a document before the Northern Ireland Assembly by virtue of this section as it applies in relation to the laying of a statutory document under an enactment (as defined in that Act)."

*Section 41(3) of the Interpretation Act (Northern Ireland) 1954 provides mechanics for the laying of certain documents before the Northern Ireland Assembly. This amendment makes clear that those mechanics apply to the laying of regulations or draft regulations under the Bill.*

I can be very brief, since this is an uncontroversial technical amendment. It simply provides the mechanics for laying certain documents before the Northern Ireland Assembly. If we did not make the amendment, we would lose an opportunity to ensure the consistent application of section 41(3) of the Interpretation Act (Northern Ireland) 1954 and of the way a statutory instrument or statutory document is laid before the Assembly. This is a narrow technical issue that DAERA officials identified and asked us to correct.

*Amendment 15 agreed to.*

*Question proposed,* That the clause, as amended, stand part of the Bill.

**George Eustice:** I do not intend to say much more. The clause contains largely technical provisions and powers to ensure we can duly report, as I indicated in the case of Northern Ireland.

*Question put and agreed to.*

*Clause 29, as amended, accordingly ordered to stand part of the Bill.*

## Clause 30

### Interpretation

**George Eustice:** I beg to move amendment 16, in clause 30, page 24, line 3, leave out from "legislation"" to end of line 4 and insert

"means an instrument made under primary legislation or under retained direct EU legislation."

*This amendment expands the definition of subordinate legislation that is already in the Bill to include legislation which is made under primary legislation made by the devolved legislatures.*

*[George Eustice]*

This is another minor technical change. We identified that we needed to replace the words

"has the same meaning as in the Interpretation Act 1978"

with the words

"means an instrument made under primary legislation or under retained direct EU legislation".

The purpose of the amendment is simply to close another gap that has been identified by ensuring that statutory instruments made by the devolved legislatures come within the scope of the definition of "subordinate legislation". The amendment expands that definition so secondary legislation made by the devolved legislatures can also effect primary provisions. Again, I think the amendment is uncontroversial—it simply ensures that the clause gives effect to statutory instruments made by the devolved Administrations.

*Amendment 16 agreed to.*

*Clause 30, as amended, ordered to stand part of the Bill.*

## Clause 31

### Consequential amendments

**George Eustice:** I beg to move amendment 17, in clause 31, page 24, line 9, leave out paragraph (c).

*Schedule 5 to the Bill amends the CMO Regulation in consequence of provision contained in the Bill. Clause 31 sets out which provision that is. Nothing in Schedule 5 is consequential on the provision mentioned in paragraph (c). This amendment therefore omits paragraph (c) from the list in Clause 31.*

This is another minor technical amendment, which simply corrects and clarifies various problems in the original drafting of the Bill. The amendments do not significantly change the effect of the legislation; they simply correct minor drafting errors. One removes a paragraph that has no effect, and one matches the drafting powers for Welsh Ministers with those of English Ministers.

*Amendment 17 agreed to.*

*Clause 31, as amended, ordered to stand part of the Bill.*

## Schedule 5

### The CMO Regulation: consequential amendments

*Question proposed*, That the schedule be the Fifth schedule to the Bill.

**George Eustice:** Schedule 5 sets out consequential amendments to the CMO regulation. Those amendments revoke powers of the Commission in retained EU law where those powers are being replaced by new domestic powers elsewhere in the Bill. We will be able to use domestic powers to ensure the best possible outcomes for UK farmers. The new domestic powers relate to exceptional market conditions in England and Wales, as set out in clauses 17 and 18 for England and in paragraphs 16 and 17 of schedule 3 for Wales, and to marketing standards and carcase classification in England, Wales and Northern Ireland, as set out in clause 20 for England, paragraph 19 of schedule 3 for Wales, and paragraph 10 of schedule 4 for Northern Ireland.

The inclusion of schedule 5 is crucial to avoid confusion about which power will be used after our exit from the EU. It disapplies the relevant articles for England and Wales in the case of exceptional market conditions. For marketing standards and carcase classification, the schedule disapplies the relevant articles for England, Wales and Northern Ireland.

*Question put and agreed to.*

*Schedule 5 accordingly agreed to.*

## Clause 32

### Power to make consequential etc provision

*Question proposed,* That the clause stand part of the Bill.

**The Chair:** Did you want to speak, Dr Drew? If you stood up I would be able to see you.

**Dr Drew:** I am tired, Mr Wilson, but I will not make a habit of it. I want to make a brief point that will no doubt be picked up in the other place. The clause contains a Henry VIII power, of which there are a number in the Bill, as the Lords Delegated Powers and Regulatory Reform Committee clearly pointed out.

We will not oppose the clause, but it puts the onus on and gives enormous opportunities to whichever Government choose to use it to make subsequent changes to the legislation. Given that we are coming to the end of the part of the Bill that lays down that legislation, we have concerns about the number of Henry VIII clauses that the Government could bring into play. That will not necessarily be this Government; it could be a subsequent Government.

The Lords, which I am sure will look at this in great detail, might cast some aspersions about the degree to which the Government have tried to get away with giving future Administrations a real opportunity to make dramatic changes using secondary legislation. Those changes should really require primary legislation, which is what we are here to administer, encourage and scrutinise. It should be clear that primary legislation in areas as important as agriculture should be the dominant driver for whatever changes we make. The Minister may care to defend the number of Henry VIII clauses in the Bill.

3.45 pm

**George Eustice:** I want to give the hon. Gentleman some reassurance about clause 32. It is a fairly standard inclusion in many Bills, and it is clear from subsection (1) that it is about consequential changes. In particular, that subsection talks about

"provision or savings in connection with any provision of this Act."

If a change were made to the administration of a pillar 2 countryside stewardship scheme, and that affected a scheme that had been entered into under a previous body of law, the Government might want to be able to make consequential amendments as a result—to be able to pay the final year of a countryside stewardship agreement, for instance. Those are the kinds of changes we are talking about. It is difficult to predict when the Government might need to use that power, but it is to be used in a very narrow set of circumstances—for those savings provisions, effectively—just to ensure that we

can tidy up loose ends. It is not to be used to make, or change, policy. It is very clear that these amendments are consequential to other provisions that have already been debated.

*Question put and agreed to.*

*Clause 32 accordingly ordered to stand part of the Bill.*

## Clause 33

FINANCIAL PROVISION

**Mr Dunne:** I beg to move amendment 109, in clause 33, page 24, line 39, at end insert—

"(2) Payments made by virtue of this Act must be paid pursuant to regulations made by the Secretary of State to implement a multi-annual financial framework determining the monies available under this section.

(3) Prior to any payments being made under this section, regulations must be laid before the beginning of the agricultural transition period."

*The Agriculture Bill should establish a multi-annual budgetary framework that provides certainty for farmers and allows them to plan and invest for the future.*

I stress at the outset that this is a probing amendment, and I am looking for the Minister to give me some comfort that what I am asking for is in line with current practice and widely supported by the industry. I urge the Minister to have discussions across Government to consider whether something along the lines of this amendment could be incorporated in the Bill at a later stage. I have tabled the amendment because under the scheme that we are currently looking to replace—the CAP scheme—multi-year support packages have been agreed, and all farmers across the UK have been operating according to those packages and are accustomed to them. That is my first point.

Secondly, the Government have already acknowledged the importance of a multi-year settlement in the transition arrangements that they have announced and the Minister has secured from the Treasury, with a commitment to 2022, which is a significant development. I give full credit to the Minister and his colleagues in the Department for Environment, Food and Rural Affairs for securing a commitment from the Treasury that takes us ahead of the comprehensive spending review period—outwith that—in order for farmers to have confidence in the way in which the current scheme will transition into the new one.

Thirdly, the new scheme is intended to be a multi-year arrangement for the period from 2021, as we move from an area-based payment to a public goods-based payment. The Government have clearly recognised that multi-year arrangements are required for this industry, not least because—as we have heard previously in this Committee—many tenancy agreements and stewardship arrangements are undertaken by farmers on a multi-year basis. That is not always the case: some tenancy arrangements, such as grass keep, last for only one season, but many last for many years.

**Sandy Martin** (Ipswich) (Lab): I have visited a farm in Suffolk at the NFU's invitation, and seen the various improvements that the farmer wanted to make to his farm. However, he was not sure whether he would be able to claim money for those improvements in future. Does the hon. Gentleman agree that it is extremely difficult for farmers to make improvements to their farms when they do not know the future shape of the financial settlement?

**Mr Dunne:** I agree with the hon. Gentleman. This is not just about farm improvements, of course; it is about the rotational nature of farming. Arable farming relies on an assumption of continued occupation for a period of years, in order to adopt an appropriate rotational pattern for the use of the land over a number of years. For all those reasons, it is entirely appropriate that the Government should consider a multi-annual scheme.

Perhaps I may refer to some of the external support that I have received for the amendment, which I am sure other members of the Committee have seen as well. I am sure that it is no coincidence that during the passage of the Bill we have had the benefit of presentations elsewhere on the parliamentary estate from a large number of groups interested in agriculture, and in what happens in the environment on and around our farms. I am sure that many hon. Members will have gone to yesterday's presentation by the wildlife trusts. There have been presentations in the past couple of weeks from Greener UK, an umbrella group of 14 organisations, all of which are supportive, including the NFU, the Country Land and Business Association and the Woodland Trust, which has also organised presentations in Parliament recently.

Also in Greener UK is the National Trust, which I visited on Friday in my constituency, and which is particularly concerned about some of the conservation measures it is introducing across its estate. I think it is the largest private sector landowner in the country, with something like 1,800 tenant farmers operating around the UK. While on the subject of the National Trust, I commend to the Minister the Stepping Stones project, in which it seeks to link together landscapes across the Shropshire Hills area of outstanding natural beauty. As he has not visited my constituency to see that work in action, I am keen to invite him to do so, because the trust wants to bring forward an environmental land management scheme, and I was impressed by what I saw last Friday. It wants multi-annual arrangements, as do the other organisations, and I strongly encourage the Minister to recognise that that is how farming in this country functions, so it is appropriate at least to consider a scheme of that nature.

The amendment would also insert a provision about having a scheme in place at the outset, not as an afterthought during transition. Whenever we move from one scheme to another, things should be set out clearly in advance, to give farmers the confidence they need to undertake projects that, as I have explained, take several years, as well as confidence that they will be able to farm appropriately in the future.

**Dr Drew:** The amendment is similar to new clause 10, which we debated previously. I congratulate the hon. Gentleman on tabling it. Finance is at the centre of the Bill. Unless we get some clarification, the Bill will not, despite all the powers in it and all the good intentions, really provide certainty and security—whether to farmers or environmental organisations, which all signed up to it.

We are dealing with pretty important stuff. Although there has been some variance between the farmers' organisations and environmental organisations, they

*[Dr Drew]*

speak with one voice on the amendment, as they did on new clause 10. We pay attention or lose their valuable support, which is a shame, because the Bill has a degree of cross-organisational support and we have made it clear that there are good things in it, which we support. We are just carrying out our Opposition role of trying to improve it.

I congratulate the hon. Member for Ludlow on the amendment. It is important that we have a further debate about it, and that we recognise that the money is crucial. Otherwise, the warm words will not satisfy those who feel strongly about what they will be expected to do when and if the Bill comes into force. It involves a huge cultural change in the way we support those who work on the land.

As the hon. Member for Ludlow rightly said, the proposal has received a wide range of support. I hope that that matters to the Government, and that the Minister will respond to it. It includes other things that we might want to do on the land, which is not necessarily what we have done in the past. For example, we could look at transport infrastructure or social housing, which may be a sequitur to the things we want to do to improve the environment. If people cannot live in the countryside, they cannot work in it and carry out the environmental improvements that we want. The Government have a whole raft of environmental schemes in mind, including planting woodland and alleviating flooding, but those who want to do it need to have some knowledge of the funding arrangements that will be in place. Unless that is done annually, we will not know how serious it is. We are saying that it could be done over a number of years. The Government need to report to Parliament, which means that there will be a public document showing exactly what money is being made available and what the restrictions are. We talked earlier about the devolution settlement. It is important that the Administrations outside England know exactly what moneys they will have and the purposes to which they can be put.

Greener UK pointed to the need for an independent assessor. The amendment in the name of the hon. Member for Ludlow does not do that, but Greener UK argues that it would be helpful to know the minimum and maximum amounts that might be forthcoming from the Government to do the sort of things that are necessary. The idea of multi-annual funding is that it allows the money to be vired from one year to another if it cannot be spent in the year originally intended.

I hope the Government see the benefit of the amendment. We will support it wholeheartedly. We see it not as a probing amendment, but as a very important part of the way in which the Government should be doing their business. It would mean that our countryside is healthier and funded more appropriately and transparently than would otherwise be the case.

In evidence to us, Andrew Clark made it very clear why the NFU supports the amendment. It sees it as part of the long-term commitment to allow farming to continue contracting around the environmental and land-management arrangements that the Government have in mind. He was clear about why we need the power to vire money between annual budgets. Knowing what those budgets are is absolutely crucial. The hon. Member for North Dorset, in cross-examining him, seemed quite sympathetic to that idea—as, indeed, is the hon. Member for Ludlow and, I hope, other Conservative Members.

4 pm

I hope that the Government have heard clearly why it is important that we support the amendment. We wanted them to accept new clause 10. That did not happen, but they have another opportunity to listen, learn and act on something that is incredibly important. It is about the way our national infrastructure is shaped by the moneys that are made available. The Tenant Farmers Association, in written evidence, said that the lack of financial clarity was a major weakness that the Bill did not overcome. There is no mechanism for how the money will be forthcoming. That is important, because then we can have debates in Parliament—we can scrutinise the annual budgetary settlement and the way in which that money can be passed over into other years. It is right and proper that Parliament has a say on that, and that is what these organisations are saying. The Country Land and Business Association said that it needed

"urgent clarity on the funding plans post 2022"

which is when the current arrangements start to run out. It goes on:

"A long term and robust budget is needed to meet the Government's ambitions for the environment and high food production standards, with a multi-annual review framework outside of the political cycle."

That is again very clear.

This would have interested my hon. Friend the Member for East Lothian, who is no longer in his place, and will interest the hon. Member for Brecon and Radnorshire. The Confederation of Forest Industries considers that funding should be planned as part of the 25-year environment plan, so that we know what moneys are available for forestry, particularly given the Government's good intentions to plant a lot more trees. That is covered by the amendment.

I hope that the Government are listening and will consider the matter, so that we do not have to press the amendment to a vote. We feel very strongly that the money has to be clearly identified, scrutinised and made available. That is what the amendment would do, as new clause 10 would have done. I make no apologies for going on at length; if there is no money, or no certainty about the money, all the good intentions will disappear into the ether.

**Colin Clark** (Gordon) (Con): I will be mercifully brief, as other hon. Members have covered many of the matters.

I have been a farmer and been involved in agriculture for a number of years. We work in cycles of five, seven or 10 years. As the hon. Member for Stroud has just said, a multi-annual financial framework is an essential part of agriculture. As we mentioned in earlier debates, it is particularly important that we do not allow the agricultural budget to become politicised and subject to annual discretionary spending decisions, and that parties of all colours are able to recognise the long-term commitment to agriculture.

The Scottish NFU is supportive of the amendment. The Minister is obviously influenced by the Treasury, which influences everything, and I hope that we give

power to his elbow. It is important that the Treasury understands that the long-term commitment, as in many other industries, is very important for the farming industry.

We are not going to press the amendment to a vote, but it is noteworthy that a Welsh colleague, an English colleague and a Scottish colleague support it. In seeking to represent Scottish farmers, I reiterate that I very much want to see a multi-annual framework.

**Chris Davies** (Brecon and Radnorshire) (Con): I am sure that there is a good story in there somewhere about a Welsh MP, an English MP and a Scottish MP, but we shall not go down that route at this moment. *[Interruption.]* It is after lunch, after all.

I am delighted to support the amendment. My hon. Friends the Members for Ludlow and for Gordon have made very convincing cases, and I am pleased to see the hon. Member for Stroud also making a convincing case. Farming, as we all know, is a long-term measure, and there are many farmers among Conservative Members. We have not just visited a farm on the recommendation of the NFU; we are involved in farming on a daily basis. I know that my hon. Friend the Minister, who is from a farming family, will be well aware of the need for long-term funding, which is important in farming for breeding and planting.

I am chair of the all-party parliamentary group on forestry, and long-term funding is vital for the future of the forestry sector and the wood industry. With softwood, the period from planting to profit is probably 40 years. With hardwood, it is 80 to 100 years. It is very important that schemes are in place to ensure the correct funding. I am delighted to support the amendment and I am sure and very much hope that the Government will look on it positively.

**George Eustice:** Like my hon. Friends the Members for Ludlow, for Gordon and for Brecon and Radnorshire, I understand that this is a critical issue. I agree with the sentiment that we can put into the Bill all the powers we like and come up with all the creative policy we like, but that they will not mean anything without money to underpin them.

For reasons that the Committee will understand, I will not support the amendment. Before I come on to that point, however, it is important to recognise what we have already done to acknowledge the importance of clarity on funding. At the last general election, we made a commitment to keep the total cash spent on agriculture at the same level for the duration of this Parliament until 2022. That breached and went beyond a Treasury spending review period, but the Conservative party took the decision that it was right and proper to prejudge the spending review process so that we could give clarity and certainty to farmers.

The challenge, as I understand it, is that the scheme is currently funded in a roundabout way by our sending money to Brussels and then getting it back. The concern that some farmers will have is whether the Government will be willing to support the scheme. My view is that the approximately £3 billion that we currently spend every year on agriculture and the farmed environment is relatively modest in the context of other areas of Government spending. Some Departments—perhaps including a Department that my hon. Friend the Member for Ludlow is familiar with—regularly accidentally overshoot their national budget. Given what it delivers for the farmed environment that covers 70% of our land, for habitats, for water and air quality, and for our important environmental objectives, £3 billion is a fairly modest sum.

As the policy returns home and we take back control, there will be a responsibility on Parliament—and on political parties in their manifestos—to demonstrate their commitment to our farmed environment and wildlife. We know that wildlife organisations have huge memberships: the RSPB and the Wildlife Trust each have between 1.7 million and 2 million members. We know that the British public are passionate about their countryside, wildlife and environment and want us to give them due priority and support.

We have therefore not only committed to keeping the cash total the same until 2022 but made a manifesto commitment to implement and fund a new environmental land management scheme after that. We have not described the total quantum of funding after 2022, but there is an absolute commitment for there to be a funded policy. We have also made it clear that agreements entered into by the end of 2022 under the existing pillar 2 schemes—some of which will run for a decade—will all be funded for the duration of their terms. I believe that we have done a lot in the area already.

As a former Minister, my hon. Friend the Member for Ludlow knows that in the long term these matters are ultimately dealt with through the spending review process. A spending review process is under way, and we expect it to conclude next year. By their very nature, spending reviews are multi-annual; they tend to set a financial envelope within a period such as five years. Departments also have other processes, such as single departmental plans and Supply estimates applied at departmental level, so that we have some continuity and multi-annual understanding in our approach to funding, rather than a stop-go process from year to year.

Finally, our new environmental land management scheme is predominantly designed around multi-annual agreements. There will not simply be one-off yearly payments; we envisage farmers entering into an agreement for three, five or possibly 10 years. It is implicit in the design that we have outlined for the scheme that a multi-annual understanding of funding will be needed.

I hope that I have been able to reassure my hon. Friend that I share his view that this matter is important and that I view the current spending on agriculture and the farmed environment as a relatively modest sum of money. We could deploy it far more effectively to achieve far more, but the spending review process is the right place to identify funding post 2022. I am sure that he and other colleagues will be making representations to the Chancellor and the Treasury on this matter.

**Mr Dunne:** I have heard what the Minister said. I indicated that this was a probing amendment. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Clause 33 ordered to stand part of the Bill.*

**Clause 34**

EXTENT

**George Eustice:** I beg to move amendment 42, in clause 34, page 25, line 15, at end insert—

*[George Eustice]*

'( ) Part (Red Meat Levy) extends to England and Wales and Scotland only."

*The amendment relates to NC4 which is expected to form a Part of its own (under the heading "Red Meat Levy") rather than being inserted in an existing Part of the Bill. The amendment provides for the new Part to form part of the law of England and Wales and Scotland only, because nothing in it relates to Northern Ireland.*

**The Chair:** With this it will be convenient to discuss the following:

Government new clause 30—*Red meat levy: payments between levy bodies in Great Britain*.

New clause 6—*Red meat levy redistribution*—

'(1) The Ministers shall establish a scheme for the redistribution of red meat levy in accordance with this section.

(2) The scheme shall make provision for amounts of red meat levy collected by the levy body for one country in Great Britain to be paid to the levy body for another such country.

(3) The scheme shall make provision about—

(a) how the amount of a payment is to be calculated, which shall be by reference to such matters as may be specified in the scheme,

(b) when a payment is to be made, provided that payments shall be made not less than annually and no later than three months after the end of the financial year in which the levy has been collected, and

(c) how a payment is to be made.

(4) Before making the scheme the Ministers shall consult the levy bodies.

(5) The Ministers shall publish the scheme in such manner as they may determine.

(6) A levy body must comply with any requirement imposed on it by the scheme.

(7) A payment received by a levy body in accordance with the scheme may be used by that body in the same way as levy collected by that body.

(8) The scheme may be reviewed at any time by the Ministers and shall be so reviewed at least every five years.

(9) The scheme may make supplementary, incidental or consequential provision, and may amend or repeal any earlier scheme.

(10) In this section—

"the levy bodies" means—

(a) for England, the Agriculture and Horticulture Development Board established by the Agriculture and Horticulture Development Board Order 2008 (S.I. 2008/420);

(b) for Scotland, Quality Meat Scotland established by the Quality Meat Scotland Order 2008 (S.S.I. 2008/77);

(c) for Wales, the Welsh Ministers or, where the power under section 7 of the Red Meat Industry (Wales) Measure 2010 (nawm 3) to delegate functions has been exercised by the Welsh Ministers, the person exercising the function of imposing levy on slaughterers under section 4 of that Measure 2010;

"the Ministers" means the Secretary of State, the Scottish Ministers and the Welsh Ministers, acting jointly;

"payment" means any payment which is to be made under the scheme by any levy body;

"red meat levy" means—

(a) in relation to England, producer levy imposed under Schedule 3 to the Agriculture and Horticulture Development Board Order 2008;

(b) in relation to Scotland, producer levy imposed under Schedule 3 to the Quality Meat Scotland Order 2008;

(c) in relation to Wales, the production component of levy imposed under section 4 of the Red Meat Industry (Wales) Measure 2010; and

"scheme" means a scheme established by the Ministers in accordance with this section.

*The new clause requires a scheme to be made by the Secretary of State, the Scottish Ministers and the Welsh Ministers for redistribution of part of the red meat levy collected by the levy bodies in Great Britain to the other levy bodies.*

Government amendment 43.

**George Eustice:** Amendments 42 and 43 are paving and consequential amendments for new clause 30, which is the Government's proposal for a red meat levy scheme. Amendment 43 amends the long title of the Bill to relate it to the red meat levy.

My hon. Friends the Members for Gordon and for Brecon and Radnorshire highlighted the issue in an amendment. They withdrew their original amendment following discussion with us and tabled new clause 30, which we are willing to support. The red meat levy issue has run all the time that I have been the farming Minister. In 2008, there was a change to how levies were collected by the Agriculture and Horticulture Development Board and the other levy bodies. Representations were made then by the devolved Administrations that they should collect their own levy directly from the abattoirs and pay that money to the levy boards. The last Labour Government therefore made some changes to reflect the requests of the devolved Administrations and give them the power to collect their own levy. Prior to that, it had been allocated through a UK-wide formula.

After the new regulations were introduced in 2008, there were some closures of abattoirs in Scotland and Wales, with the consequence that more livestock—both sheep and cattle—were being taken across the border to England to be slaughtered. The levy was therefore captured in England by the AHDB, rather than by the levy bodies in Wales and Scotland.

The issue is complex, in that elements of the AHDB's work are absolutely UK-wide, so it incurs costs on behalf of the whole UK. That is notably for trade—this is an argument that it has made—but nevertheless a feeling has persisted in the levy bodies in Wales and Scotland that they lose out on some of the levy as a result of animals crossing the border. The Government have looked at a number of ways to address that.

Lesley Griffiths from the Welsh Government made representations, which we reflected in a recent consultation and review of the AHDB, about whether we could look at a different methodology for collecting the levy. Rather than collect the red meat levy at the point of slaughter, we could perhaps collect it as an ear tag levy or a registration levy at the point at which animals were born. That consultation is ongoing and a change in how the levy is collected might be a good long-term solution. In the meantime, both the Welsh and Scottish Governments—as well as my hon. Friends the Members for Gordon and for Brecon and Radnorshire—have made representations that we should put in place a power that enables us to resolve this in the short term by making it possible with mutual consent to move some levy from AHDB in England back to Wales or Scotland. The amendment enables that to happen with the agreement of the relevant Administrations involved.

4.15 pm

**Deidre Brock:** I rise to speak to clause 34 and new clause 6. The Radcliffe report recommended changes to the red meat levy in 2005, and successive UK Governments really should hang their heads in shame at its taking 13 years to get to the stage where the matter is finally being addressed. To be more exact, the preparation for putting in place a scheme for addressing the red meat levy is happening at last. I understand that discussions between the Department for Environment, Food and Rural Affairs and the Scottish Government continued right up to the wire, so I am very pleased that DEFRA Ministers have given ground on this. I congratulate them on their very good sense in listening to Scotland.

The pressure for this change came from farmers, whose levy moneys were not being spent to their benefit, and from the promotion boards, whose jobs were made harder by those funds not being properly distributed—a couple of million pounds a year taken from both Scotland and Wales. Quality Meat Scotland and NFUS, as well as their counterparts in Wales, deserve credit for their long-running campaigns to rectify this anomaly. Frankly, politicians should be ashamed that it has taken so long.

With that said, I welcome the Minister's agreement to the amendment. Discussions between his Department and Scottish Government Departments might not always have been easy, but they have brought an agreement that we can all live with. I will withdraw my amendment—to give this one a clear path—if I can get a couple of reassurances from the Minister.

First, can we be assured that timescales will be specified to give certainty to the levy boards? Time lags clearly would be a difficulty for the boards, and regular, consistent income streams would be more beneficial to allow their work to carry on as it should, and also to allow forward planning to be conducted properly. Can we also have an assurance that the scheme will be reviewed on a regular basis, such as every five years or so, to ensure that it is operating properly? If I can have those assurances from the Minister, then he and I are on the same page—at least on this—and we agree on the way forward.

I welcome this change to the operation of the red meat levy and the Minister's willingness to listen to the voices from Scotland and Wales that have been calling for it. That work with the Scottish Government is an example that one hopes the rest of the Departments in Whitehall can follow.

**Colin Clark:** I rise simply to thank the Minister for supporting the amendment and to echo the hon. Member for Edinburgh North and Leith—this has been called for for quite some time, and it is good that just over £1.5 million will be spent on promoting Scotland. We have to remember that the vast majority of red meat is exported south of the border, and we are very grateful that the promotion will continue for the entire country.

**Chris Davies:** I follow my hon. Friend the Member for Gordon, who is a joint signatory to the amendment. We both thank the Minister for supporting the amendment, discussing it with us and agreeing a way forward. This has been called for—not just by the farming unions, but by farmers themselves—for a very long time in Wales and, as we have just heard, in Scotland. I am sure that it is the same in England.

As somebody whose constituency is right on the border, I feel that what the Minister said is very appropriate. Sadly, so many slaughterhouses have closed that people cross borders with their stock. In Wales, we have lost a lot of revenue across Offa's Dyke. Money has perhaps been spent not on Welsh land promotion, but on other things.

Opposition Members will certainly know how the meat levy is worked out: it is a jointly funded levy that is paid by both the producer and the slaughterer or exporter. Under Hybu Cig Cymru, the current price paid per head of cattle in Wales is £5.67. It is 83p per sheep, and £1.30 per pig. That may not sound like a great deal per item, but when one considers how many animals are slaughtered each year for consumption, both in this country and across the world, it adds up to a considerable amount of money that is sometimes not correctly spent on the area that the animals come from. This has been called for for a very long time, and I am delighted that the Government are supporting it under new clause 30.

**Dr Drew:** It is good to see how cross-party collaboration can have an impact. I congratulate Conservative Members on getting the Minister to move—it is important. I am not an expert on this part of the Bill; we do not have that much beef farming in my part of the world, but some dairy cows get slaughtered and it is important that we know the impact of the levy boards. I am interested in what happens in Northern Ireland, which is not part of the scheme. Can they be brought in?

I am interested to know to what extent the separate boards—the Agriculture and Horticulture Development Board, Hybu Cig Cymru operating in Wales and Quality Meat Scotland—will maintain their independence, given that the Bill, which is primary legislation, is making a change to how the moneys will be devolved. It would be useful to know to what extent the different organisations will maintain complete independence or whether the administration of the funding will become more complex. I suppose the AHDB would take over all responsibility and devolve the moneys down to the different organisations.

It is good. This is what primary legislation is for: to improve what we have at the moment and do it differently and better. It is pleasing that it seems that all the farming organisations are in favour of the proposal, so I cannot see any reason why the Opposition would not be in favour of it. Again, I would like some clarity about exactly how the scheme operates at the moment and the changes that are, hopefully, going to make it better. We support what is proposed and hope that this good bit of the Bill will receive unanimous support at every level of debate, both in this place and the other place.

**George Eustice:** It is great to have an outbreak of consensus on this issue. I will address some of the points raised, first by the hon. Member for Edinburgh North and Leith. New clause 30(2) addresses all her concerns because it makes provision in paragraphs (c), (d) and (e) for:

"when a payment is to be made",

so it is clear the scheme can design that;

"how a payment is to be made,"

and

"the duration of the scheme".

*[George Eustice]*

We envisage that an assessment may be made of the type of animal movements, based on the cattle movement records, and then a scheme could be set that might run for a year, two years—a number of years—to reflect those cattle movements; and a scheme could be put in place that enabled the transfers. It is very clear that the scheme that would be designed would provide for those particular issues.

On the points that the shadow Minister made, the boards would retain their independence. This is where I take some issue with the hon. Member for Edinburgh North and Leith. It has not taken 13 years to sort out. We must recognise what happened. The previous Labour Government, with very good intentions and at the request of the devolved Administrations, gave the devolved Administrations the power to collect their own levy, because that is what they said they wanted at the time. Two or three years after that, when a number of abattoirs in Wales and Scotland had closed, the industry there started to say, "This change now disadvantages us because we are not getting a fair share of the levy that is collected."

To be fair to the previous Labour Administration and my predecessors from some years ago, they were reacting and responding to requests from the devolved Administrations at the time. For reasons of closures of abattoirs, that did not work out and this slight problem was left and has run for a number of years. We have consulted on a possible long-term solution through a different collection methodology, potentially to do with ear tags, but we concede that a fix of this sort, which would enable us legislatively to move money around with the agreement of all the relevant devolved Administrations, is the right power to put in place.

*Amendment 42 agreed to.*

*Question proposed,* That the clause, as amended, stand part of the Bill.

**George Eustice:** Clause 34 sets out which legal jurisdictions are being changed by the Bill, recognising that England and Wales, Scotland and Northern Ireland have different bodies of law. Extent is different from application, which is about the persons or matters to which a provision relates. Retained EU legislation will form part of the body of law shared by all parts of the UK; therefore, provisions of the Bill that amend or provide for the amendment of retained EU law will extend to all UK jurisdictions. Those provisions may none the less apply differently in different parts of the UK. Where it legislates on reserved matters, the Bill extends and applies to the whole of the UK. The Government have provided the Committee with their updated analysis of where the provisions of the Bill extend and apply and, where applicable, where corresponding provisions would be within the competence of the devolved legislatures.

*Question put and agreed to.*

*Clause 34, as amended, ordered to stand part of the Bill.*

*Clauses 35 and 36 ordered to stand part of the Bill.*

## New Clause 2

POWER TO REDUCE THE DIRECT PAYMENTS CEILINGS FOR ENGLAND IN 2020 BY UP TO 15%

"(1) The Secretary of State may by regulations make provision for and in connection with reducing the national and net direct payments ceilings for England that would otherwise apply in 2020 by up to 15%.

(2) For this purpose—

the "national direct payments ceiling for England" is the sum representing the share allocated to England of the amount specified for the United Kingdom in Annex II of the Direct Payments Regulation (table of national ceilings);

the "net direct payments ceiling for England" is the sum representing the share allocated to England of the amount specified for the United Kingdom in Annex III of the Direct Payments Regulation (table of net ceilings).

(3) Regulations under this section cannot be made after the end of 2020.

(4) Regulations under this section are subject to affirmative resolution procedure."—*(George Eustice.)*

*The provisions in EU legislation for inter-pillar transfers of up to 15% of the national ceiling for direct payments to the budget for rural development scheme payments will not apply in relation to the 2020 scheme year. The new Clause enables a reduction of up to 15% of the share allocated to England of the UK's direct payment ceiling for 2020 under the Direct Payments Regulation.*

*Brought up, read the First and Second time, and added to the Bill.*

## New Clause 3

POWER TO PROVIDE FOR THE CONTINUATION OF THE BASIC PAYMENT SCHEME BEYOND 2020

"(1) The Secretary of State may by regulations modify legislation governing the basic payment scheme to make provision for and in connection with securing that the basic payment scheme continues to operate in relation to England for one or more years beyond 2020 (subject to any provision made under section 7).

(2) The power conferred by subsection (1) includes power to provide for the direct payments ceiling for England for any relevant year to be determined, in a specified manner, by the Secretary of State.

(3) Provision made by virtue of subsection (2)—

(a) must require a determination in respect of a relevant year to be published as soon as practicable after it has been made, and

(b) may confer functions on any person in connection with, or with the making of, a determination in respect of a relevant year.

(4) In this section—

"the direct payments ceiling for England" is the national ceiling of the kind referred to in Article 6 of the Direct Payments Regulation that is applicable in relation to England for any relevant year;

"relevant year" means a year within the agricultural transition period for England in respect of which direct payments under the basic payment scheme fall to be made in relation to England;

"specified" means specified in regulations under this section.

(5) Regulations under this section are subject to affirmative resolution procedure."—*(George Eustice.)*

*The current text of the Direct Payments Regulation relating to the basic payment scheme only covers years up to 2020. The new clause allows regulations to make provision continuing the basic payment scheme beyond 2020 during the agricultural transition period for England, although this is subject to clause 7 which provides for the phasing out or termination of the basic payment scheme during the transition period. The new clause also makes clear that this includes power to provide for the relevant national ceiling for England to be determined outside the Direct Payments Regulation, rather than simply being specified in it.*

*Brought up, read the First and Second time, and added to the Bill.*

## New Clause 30

RED MEAT LEVY: PAYMENTS BETWEEN LEVY BODIES IN GREAT BRITAIN

"(1) A scheme under this section ("the scheme") may—

(a) make provision for amounts of red meat levy collected by the levy body for one country in Great Britain to be paid to the levy body for another such country, or

(b) amend, suspend or revoke an earlier scheme made under this section.

(2) The scheme may make provision about—

(a) the method by which the amount of a payment is to be calculated,

(b) who is to determine the amount of a payment,

(c) when a payment is to be made,

(d) how a payment is to be made, and

(e) the duration of the scheme;

and in this subsection "payment" means any payment which is to be made under the scheme by a levy body.

(3) The method of calculating the amount of a payment may include calculation by reference to any matters specified in the scheme, including—

(a) the number of animals—

(i) in respect of which red meat levy was imposed by the levy body making the payment in a given period, and

(ii) which have a given connection with the country of the levy body which is to receive the payment;

(b) the administrative costs of implementing the scheme for the levy bodies involved in the payment.

(4) A payment made under the scheme is to be treated by the levy body receiving it as if it were red meat levy collected by that body.

(5) The scheme may make supplementary, incidental or consequential provision (including provision conferring functions).

(6) A levy body must comply with any requirement imposed on it by the scheme.

(7) The scheme—

(a) is to be made jointly by—

(i) the Secretary of State, if it involves the levy body for England, and

(ii) the Scottish Ministers, if it involves the levy body for Scotland, and

(iii) the Welsh Ministers, if it involves the levy body for Wales;

(b) must be published in such manner as may be determined by the authorities making it.

(8) For the purposes of this section the levy bodies for the countries in Great Britain are—

(a) for England, the Agriculture and Horticulture Development Board;

(b) for Scotland, Quality Meat Scotland;

(c) for Wales, the person for the time being exercising the Welsh Ministers' function of imposing levy on slaughterers under section 4 of the Red Meat Industry (Wales) Measure 2010 (nawm 3).

(9) In this section, "red meat levy" means—

(a) in relation to the levy body for England, producer levy imposed on slaughterers under Schedule 3 to the Agriculture and Horticulture Development Board Order 2008 (SI 2008/576);

(b) in relation to the levy body for Scotland, producer levy imposed on slaughterers under Schedule 3 to the Quality Meat Scotland Order 2008 (S.S.I 2008/77);

(c) in relation to the levy body for Wales, the production component (within the meaning of Schedule 2 to the Red Meat Industry (Wales) Measure 2010) of levy imposed on slaughterers under section 4 of that Measure."—*(George Eustice.)*

*This new clause enables a scheme to be made for some of the red meat levy collected by a levy body in one country within Great Britain to be paid to another levy body in Great Britain. This would reflect the fact that some cattle, sheep or pigs produced in one country may be slaughtered in another country. Without the ability to make payments under a scheme the producer levy paid in respect of those animals in the country of slaughter can only be spent on activities which benefit red meat producers in that country.*

*Brought up, read the First and Second time, and added to the Bill.*

4.30 pm

## New Clause 5

QUALITY SCHEMES FOR AGRICULTURAL PRODUCTS AND FOODSTUFFS

'(1) Subsection (2) applies to any function of the Secretary of State under—

(a) Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs ("the EU Regulation"),

(b) the delegated and implementing Regulations,

(c) any regulations made by the Secretary of State under the EU Regulation, and

(d) any regulations made under section 2(2) of the European Communities Act 1972 relating to the enforcement of the EU Regulation or the delegated and implementing Regulations.

(2) The Secretary of State may exercise the function only with the consent of the Scottish Ministers.

(3) In subsection (1), the "delegated and implementing Regulations" means—

(a) Commission Delegated Regulation (EU) No 664/2014 supplementing the EU Regulation with regard to the establishment of Union symbols for protected designations of origin, protected geographical indications and traditional specialities guaranteed and with regard to certain rules on sourcing, certain procedural rules and certain additional transitional rules,

(b) Commission Delegated Regulation (EU) No 665/2014 supplementing the EU Regulation with regard to conditions of use of the quality term "mountain product", and

(c) Commission Implementing Regulation (EU) No 668/2014 laying down rules for the application of the EU Regulation.

(4) The references in subsection (1) to the EU Regulation and the delegated and implementing Regulations are to those instruments—

(a) as they have effect in domestic law by virtue of the European Union (Withdrawal) Act 2018, and

(b) as amended from time to time whether by virtue of that Act or otherwise.'—*(Deidre Brock.)*

*This clause relates to the replacement of current EU Geographical Indicators in future UK legislation. It requires that the exercise of relevant functions conferred on the Secretary of State in this area including in relation to its enforcement, should be subject to the consent of Scottish Ministers.*

*Brought up, and read the First time.*

*Question put,* That the clause be read a Second time.

*The Committee divided:* Ayes 1, Noes 7.

**Division No. 20]**

**AYES**

Brock, Deidre

**NOES**

Clark, Colin
Davies, Chris
Dunne, Mr Philip
Eustice, George
Harrison, Trudy
Stewart, Iain
Tracey, Craig

*Question accordingly negatived.*

**New Clause 7**

ENVIRONMENTAL LAND MANAGEMENT CONTRACTS

'(1) The Secretary of State shall, by regulations, make provision for environmental land management contracts.

(2) A person who manages land may enter into an environmental land management contract with the Secretary of State to deliver one or more benefits under section 1(1).

(3) A person who manages land and who seeks to enter into an environmental land management contract with the Secretary of State must first submit a land management plan.

(4) The Secretary of State must approve a land management plan submitted by a person who manages land before entering into an environmental land management contract with that person.

(5) Regulations under this section may provide for—

(a) one or more persons or bodies to act on behalf of the Secretary of State for the purposes of entering into an environmental land management contract, and

(b) requirements which a land management plan must meet if it is to be approved by the Secretary of State under subsection (5).

(6) Regulations under this section are subject to affirmative resolution procedure.'—*(Dr Drew.)*

*This new clause would require the Secretary of State to make provision for environmental land management contracts.*

*Brought up, and read the First time.*

*Question put,* That the clause be read a Second time.

*The Committee divided:* Ayes 5, Noes 7.

**Division No. 21]**

**AYES**

Antoniazzi, Tonia
Debbonaire, Thangam
Drew, Dr David
McCarthy, Kerry
Martin, Sandy

**NOES**

Clark, Colin
Davies, Chris
Dunne, Mr Philip
Eustice, George
Harrison, Trudy
Stewart, Iain
Tracey, Craig

*Question accordingly negatived.*

**New Clause 8**

DUTY TO REPORT ON INTERNATIONAL OBLIGATIONS

'(1) The Secretary of State shall lay before both Houses of Parliament reports on the extent to which the provisions of this Act have helped the UK meet its obligations, including (but not limited to)—

(a) the UN Paris Agreement,

(b) CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora),

(c) the Convention on Biological Diversity, including the Cartagena Protocol on Biosafety to the Convention on Biological Diversity,

(d) the Convention on the Law of the Sea,

(e) the International Covenant on Economic, Social and Cultural Rights (ICESCR), and

(f) the UN Sustainable Development Goals.

(2) The first report under subsection (1) shall be laid no later than 31 March 2020, and subsequent reports shall be laid no later than 31 March in each calendar year.

(3) The Secretary of State shall consult with—

(a) the Scottish Ministers,

(b) the Welsh Ministers, and

(c) the Department of Agriculture, Environment and Rural Affairs in Northern Ireland

before laying a report under subsection (1).

(4) The Secretary of State shall make arrangements for a report under subsection (1) to be laid before—

(a) the Scottish Parliament, and

(b) the Welsh Assembly.'—*(Dr Drew.)*

*This new clause would require the Secretary of State to report annually on the contribution made to the UK's international obligations as a result of the provisions of the Bill.*

*Brought up, and read the First time.*

**Dr Drew:** I beg to move, That the clause be read a Second time.

We will get active again now, having had a thorough but rapid run through some parts of the Bill. New clauses often deal not with what is going to be in the Bill but with what should be in it. We make no apology for saying that this should be a comprehensive Bill that looks at some of the big issues of our day.

There is nothing more important than the relationship between agriculture and our international obligations, so I make no apology for tabling new clause 8. Of course we want the Government to say that everything in the new clause will be in the forthcoming environment Bill—provided there is a Government and an environment Bill—but we thought we would test the water to see whether there were ways in which this Bill could at least take cognisance of those vital international obligations.

Let us look at our proposed changes, which are all vital in their own way. We are asking that the Bill take notice of what the different vital international obligations require us to do. In so doing, as subsection (3) says, there should be a duty to consult the relevant authorities in Scotland, Wales and Northern Ireland. That is important because it is putting some building around the scaffold, to use the analogy that has been applied to the Bill several times. The Bill is quite limited in what it seeks to do, so we are asking the Minister to go further.

The new clause requires a report. It does not require huge changes in legislation, but some cohesion in the way in which the Government approach how they intend to use the Bill. I hope that it is not seen to be outwith what the Bill is about but that it is helpful, because it will allow the Secretary of State, or whoever is required to do it, to bring forward a report on how those international obligations are met through the Bill. At the moment, of course, we are part of the EU, so that will take place automatically through some of the ways in which the EU meets its international obligations, but we are presupposing that the UK will not be part of

the EU. Brexit means that we need to put into domestic law what was previously implied through our membership of the European Union.

I will immediately sit down and not go any further if the Minister tells me that this will all be in the environment Bill, so the new clause is premature and the issue does not need to be spoken about at length now. Unless we get that assurance, however, we will press the new clause, because we think it is important to signal how British agriculture and the environmental support systems that we are putting in place will operate through the different international obligations to which we are party. If the Minister cannot confirm that, one wonders what we will do to meet our international obligations and targets in the future.

I will not go into any detail about the individual agreements, but clearly the Paris agreement is vital to our commitment to tackle climate change. We tried to get the Government to accept amendment 50, and if they had, the new clause would probably not have been necessary. Sadly, they did not listen to us and we lost the vote on that amendment. In moving this new clause, we make it clear that the Paris agreement is crucial in terms of how the Bill should meet that commitment.

We do not have a good story to tell. Agricultural emissions have flatlined in recent years—there has been no improvement—and we have a major problem with methane and carbon, so we have to do much more. The new clause implies that agriculture must do more, as the 2018 IPCC report said. It is not just that producers have to do more; we should lay down some clear guidelines for consumers about sustainable diets that include what we should eat rather than what we do eat. There should be guidelines about reducing food waste, soil sequestration, livestock and manure management, reducing deforestation, afforestation, reforestation and responsible sourcing. They are all part of what the IPCC is asking us to do.

In the new clause we are bringing forward an important piece of potential legislation—we would all sign up to sustainable development, but we want to do so in the Bill. We ask the Government to recognise that including those obligations is appropriate. If not, we want assurances from the Minister that the environment Bill will include them. If the Government intend to include those obligations in the environment Bill, let us put on record here that including them at this juncture, in the Agriculture Bill, is less important.

The Government need to recognise how important those different obligations are and explain how we are meeting them. I have only identified a small number, but those are, to my mind, the most relevant to agriculture, and the ones that really matter to ensure that our agriculture meets its international obligations. I hope that the Minister has listened to what I have said, because it is not just in the interests of people on this side of the House. My hon. Friend the Member for Bristol East raised this matter in an earlier sitting of the Committee, and it is supported across the board by Greener UK, which feels strongly that we should be setting longer term objectives—that is why the new clause is popular. We hope that, in due course, it will stand part of the Bill, or that its aims will be clearly spelled out in future Government legislation—namely, the environment Bill.

We have read how the 25-year environment plan will contextualise what the Government intend to do and it contextualises the Bill. It would be good to hear what the Government and the Minister intend to do to ensure that those warm words are put into a statutory framework, so that we know exactly what the UK will do when—or if—it leaves the European Union, and know that we are signed up to a better environmental world and one that agriculture plays its part in creating.

**George Eustice:** The Government take our international obligations very seriously. The list of international conventions and forums to which we are a signatory is long. I will not fob the hon. Gentleman off by saying that the obligations will be included in the environment Bill. I can go one better: we already produce many reports under all of those conventions.

I have often said, in the context of calls for statutory requirements for consultations, that DEFRA loves consultations, so there is no need for a statutory requirement. I can also confirm that in my time as a Minister, I have discovered that DEFRA loves annual reports as well. Indeed, I often say to officials, "Am I the only one who reads this report?". Given that the hon. Gentleman said that we should be publishing reports, he clearly does not read some of those that already get published, so I will cover some of them now.

There are already reporting requirements under decision 24/CP.19 and decision 2/CP.17 of the UN framework convention on climate change; under article 26 of the convention on biological diversity; under article 33 of the Cartagena protocol on biosafety; and under article 8, paragraphs 6 to 8, of the convention on international trade in endangered species. Under the Paris agreement and the Climate Change Act 2008, an annual statement of emissions is provided to Parliament. Every five years we provide a similar statement to Parliament stating the final performance under a given carbon budget.

4.45 pm

Under the convention on international trade in endangered species, there is an annual CITES trade report, summarising the number and type of permits granted, countries traded with, and quantities and types of species involved. There is an annual illegal trade report summarising seizures made, and source and destination countries. There is a biennial implementation report summarising legislative regulatory and administrative measures taken to implement CITES.

Under the convention on biological diversity there have been five progress reports: in 1998, 2001, 2005, 2009 and, most recently, in 2014. The sixth national report is being prepared, ready for submission this December.

**Sandy Martin:** Will that report make clear the effect the Bill will have on the ability to meet our commitments under the convention on biological diversity?

**George Eustice:** The report will not have commenced by December. Obviously the report will cover December. Absolutely, there are obligations under the CBD and where policies we have in this document help us to deliver some of our objectives under some of these international conventions—there are many different ones that are not listed here, such as the Bern convention and others—we would be able to reflect it.

Under the international covenant on economic, social and cultural rights, which is also cited in subsection (1)(e), the UK is obliged to report every five years on how the

*[George Eustice]*

rights outlined in ICESCR are being implemented. The next report to the UN is expected in 2021.

Under the UN sustainable development goals, progress is demonstrated via the single departmental plan process. There are departmental annual reports and accounts, and data that is reported by the Office for National Statistics.

**Kerry McCarthy** (Bristol East) (Lab): I was waiting for the Minister to get on to the sustainable development goals, because that is where his response is weakest. There is not a clear mechanism. When the Environmental Audit Committee took evidence the other week on the progress being made on the goal to end hunger, we asked four Ministers from four different Departments whose responsibility it was in Government to deliver on that goal, and they all looked completely blank and turned to each other. We need a proper mechanism to report on what we are doing on the SDGs. It is not enough to say that it is buried in the detail of departmental plans.

**George Eustice:** The hon. Lady makes a legitimate point. That is one example where there is not a requirement within the convention or commitment to publish, but we pick up those obligations through the departmental plans.

The other area that we do not currently have a specific provision for is the United Nations convention on the law of the sea. I can tell the hon. Member for Stroud that the Fisheries Bill commits us in clause 1—I will not go too far down this point, because it is a separate Bill, which we have to look forward to—to a whole set of sustainability objectives and a joint fisheries statement to outline how we will deliver those objectives. The environmental objectives under UNCLOS will be picked up through the provisions in the forthcoming Fisheries Bill.

I hope that I have been able to reassure the hon. Gentleman that we take these conventions seriously, that we already have a multitude of requirements to report through articles within the conventions themselves and, therefore, that the new clause is unnecessary.

**Dr Drew:** I thank the Minister for giving us a long list by way of explanation. This was more of a probing amendment, but we want to put it on the record that one of the difficulties with legislation is the degree to which it needs to be bound into other legislation. I think that this proposal is probably more appropriate for the environment Bill, but again, we need to put it on the record that the Government should be saying how they will meet their international obligations, not only through reports, but through the way in which they meet those obligations, which can then be manifest in the reports.

Sadly, the IPCC stated categorically—and I was there when Lord Deben, who was John Gummer, told me and a very big audience—that agriculture emissions were flatlining. Something somewhere is going wrong. International obligations are not being met; there should be a decrease. As it is, the only sector where there has been a significant decrease in the use of carbon is energy. Manufacturing, agriculture and the service economy are all flatlining. They are not reducing their dependence on carbon.

It is disappointing that we must bring the matter up, but bring it up we do. I shall accept what the Minister says at this stage, but I hope that he will listen to us and that when the environment Bill comes along there will be a clause on agriculture. In the 25-year environment plan there are quite a number of references to agriculture, as is right and proper, given that it is the most important user of the landscape. We want joined-up thinking and joined-up action.

We also want to know that the Government are dealing with areas in which, so far, they do not have a good record—I mean not just the present Government but predecessor Governments. They have simply failed on emissions standards. The Climate Change Act was only passed in 2008, so that is an easy cop-out for the previous Labour Government, but the reality is that we have not met our international obligations on agricultural emissions. I hope that the Government will do something more—they have to.

From talking to various people in Northern Ireland, I gather there is a huge problem with methane there, partly because of the growth of factory farming. That may or may not be acceptable—certainly to me it is not, but to some people it is. The downside is that methane emissions are growing rapidly. The Republic admits that it has a problem, although less than the north. We must recognise that change in agricultural systems is not always good; there can be a downside for the environment.

I shall not press new clause 8 to a vote, Members will be pleased to hear, but I hope that the Government will consider what has been said in this mini-debate, and think about how to make sure there is a strong component in the forthcoming Bill to reflect the role of agriculture. I beg to ask leave to withdraw the clause.

*Clause, by leave, withdrawn.*

## New Clause 9

REPORTS ON IMPACT ON CONSUMERS

'(1) The Secretary of State shall lay before both Houses of Parliament reports on the impact of the provisions of this Act on—

(a) the availability in England of agricultural products produced within the United Kingdom,

(b) the cost to the consumer in England of agricultural products produced within the United Kingdom, and

(c) the health and welfare of consumers in England.

(2) The first report under subsection (1) shall be laid no later than 31 March 2020, and subsequent reports shall be laid no later than 31 March in each calendar year.

(3) "Agricultural product", for the purposes of this section, means a product that falls within a sector listed in Part 2 of Schedule 1.' —*(Dr Drew.)*

*This new clause would require the Secretary of State to report annually on the impact of the Bill's provisions on food security, availability and affordability, and the impact on consumer health and welfare.*

*Brought up, and read the First time.*

**Dr Drew:** I beg to move, That the clause be read a Second time.

We have done some good work today, Mr Wilson. The new clause deals with what we make no apology for saying is a deficiency in the Bill. It is more to do with the consumption of agricultural products than their production,

but it is to do with affordability, accessibility and sustainability—or any more abilities that we might want to include. It came out of the oral evidence sessions, and in particular that in which Erik Millstone and Terry Marsden—if Tim Lang had been available, he would have been there as well—referred to the three pillars: ecological farming, environmental protection and the link to food security and through to public health. That should be the triad underwriting the whole Bill.

We have been critical of the fact that, even though we are considering a Bill on agriculture, food rarely gets a mention. Health has disappeared completely, although, as I have said on a number of occasions, the original consultation paper was called "Health and Harmony". It is disappointing that health has played such a limited role in the way the Bill has been constructed.

Millstone and Marsden talked about the need for some vision for a post-EU food system. The vision should include a mix of ecosystems and social and public health challenges that we should meet, of which the central one is food security. I know that is an issue that seems to have disappeared from everyone's radar—in the noughties it was the issue, and we got very worried, on the back of BSE, foot and mouth and some of the horrible avian diseases that came our way, about our lack of food security. We seem to have allowed it to disappear from our mind so we have not paid due account to where it should be in the Bill.

This is not just something for me to wax lyrical about. There is huge support from the public, and they want leadership on food security. The public want to know that they have safe, secure and, dare I say, good food, produced with the highest animal welfare standards while meeting all the environmental protection legislation that we should be meeting as part of the EU. There seems to be a view that it will all be right when we leave at the end of March, but if we could secure some of the issues through legislation—presupposing the Bill gets through the House of Lords—we would not have to worry. The obligations would have to be met if they were in statute.

This is an important new clause and one for which I hope to achieve a degree of support across the Committee. Green and farmers organisations talked a lot, both in the oral evidence sessions and especially in written evidence, about the availability of food, who should have access to it and the need to recognise food poverty. We were disappointed that new clause 1 was not selected, because it would have provided an interesting debate on food poverty and who has access to good-quality, affordable food. If we cannot address that in an agriculture Bill, where can we do it? The Government should have started with a food strategy. It would have been sensible to move from that food strategy to the Agriculture Bill. The legislation would follow what we wanted to do with food, crucial as it is. Sadly, that has not transpired, so we have to do it this way.

The new clause is not particularly onerous. It does not ask the Government to do anything other than to report, but report they should, so that we know that we are moving in the right direction. The Bill is all about environmental standards and about changing the nature of the payment system—public money for public goods. Nothing could be more fundamental than deciding on what food is produced and for whom, on whether they can afford it, and on whether it can be distributed more efficiently.

I do not want to say much more at this stage. It is important for us to have a debate on the issue and to have some clarity on the Government's thinking. If we had had a food strategy plan, as we have the environment 25-year plan, we would not have had to suggest an amendment to the Bill at this stage of its consideration. I hope the Government will at least recognise why we tabled our new clause. This is widely popular with not just the organisations but the public, who expect us to be doing such things. I hope that the Government will accept the change.

On affordability, dare I say it, even the Chair of the Select Committee, the hon. Member for Tiverton and Honiton (Neil Parish) has said that food supply and food security have been "taken for granted", that that "needs to be highlighted" and that it is a lot "about home production". If he says that, let us put it into the Bill so that we can show that what is widely accepted across the House is something on which we are prepared to legislate.

5 pm

**George Eustice:** The hon. Gentleman highlights some important issues with the new clause but, as with new clause 8, I want to take this opportunity to explain to him the number of reports that we already produce. As I said earlier, DEFRA loves reports, and already collects a significant amount of information that is relevant to the availability of food and agricultural products.

For instance, our "Agriculture in the United Kingdom" report covers details of production volumes, production-to-supply ratios, and the origins of domestic consumption. The "Food Statistics Pocketbook" covers the economic, social and environmental aspects of the food that we eat; the data specifically track the origins of the food consumed in the UK. Regarding the cost of home-produced agricultural products, our family food survey has been running for over 75 years. It produces annual estimates of purchases by people in the UK and tracks food prices in the UK in real terms, including for products such as dairy, fruit, vegetables and meat. In addition, the FSA runs a survey on people's food experiences, in particular whether they are finding it difficult to afford food.

Separately, we assess consumer attitudes to British food. For example, when surveyed, 60% of shoppers agree that they try to buy British food whenever they can. Next, we have DEFRA's UK food security assessment, which is a regular assessment that takes place roughly every four to five years. It also analyses all aspects of food security, including production-to-supply ratios, resilience in the supply chain, affordability issues and consumer confidence.

It would be difficult to measure the specific impact of agriculture policy on the health and welfare of consumers, because many different factors drive people's health outcomes and their relationship with food. However, other Departments already address that area. For instance, we already report on the overall health and welfare of consumers through Public Health England's national diet and nutrition survey and the reports of its Scientific Advisory Committee on Nutrition. There is a plethora of existing reports, published predominantly by DEFRA but also by Public Health England, addressing all of the issues identified in the proposed new clause.

*[George Eustice]*

However, I understand that the sentiment underlying the proposed new clause, and the reports that the hon. Member for Stroud is requesting, is that there is not enough about food in the Bill. We have heard representations of a similar nature from Conservative Members, and as the hon. Gentleman pointed out, similar representations were also made on Second Reading. I can tell the hon. Gentleman that we are giving a bit of thought to how we might address that concern during later stages of the Bill. I am sure that hon. Members who feel that there is not enough about food in the Bill—even though, as I have stated many times, I disagree—will welcome the fact that we have taken note of some of the points that have been raised.

**Dr Drew:** Progress! We are being listened to. I welcome what the Minister has said. Again, this is not something that we have just cooked up—excuse the pun. *[Interruption.]* I have to keep Members awake somehow. Food is pretty important to an agriculture Bill. I do not know whether the Minister wants to tell me how he will address this concern; I hope it is on Report, not in the House of Lords, because it drives me mad when the Lords get all the credit for these wonderful improvements, even though we have worked blooming hard on the Committee. We get turned over regularly, and the Lords get a wonderful improvement in how food is dealt with in the wording of the Bill. It is important that we persuade people that, through the Bill, there has been a change for the better. If food is in the Bill, the Opposition will be much happier—and I will just hint to the Minister that we would like a bit of a mention of health as well. The link between the nature of the production process and food and health is so important.

I was going to press the proposed new clause to a vote, but the Minister has completely dumbfounded me by saying that the Government are going to listen to what the Opposition have been saying for the past couple of weeks. I will not press it to a vote now, but I genuinely hope that the Minister will bring something forward on Report so that we can get some credit, and we will then work with the Government to make sure that the Bill goes through more successfully than it otherwise would have. I beg to ask leave to withdraw the clause.

*Clause, by leave, withdrawn.*

*Ordered,* That further consideration be now adjourned. *—(Iain Stewart.)*

5.5 pm

*Adjourned till Tuesday 20 November at twenty-five minutes past Nine o'clock.*

## Written evidence reported to the House

AB65 LEAF (Linking Environment and Farming)

AB66 LARA (the Motoring Organisations' Land Access & Recreation Association)