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GENERAL COMMITTEES

Public Bill Committee

AGRICULTURE BILL

Tenth Sitting

Tuesday 3 March 2020

(Afternoon)

CONTENTS

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Saturday 7 March 2020

The Committee consisted of the following Members:

Chairs: † Sir David Amess, Graham Stringer

† Brock, Deidre *(Edinburgh North and Leith)* (SNP)
Clarke, Theo *(Stafford)* (Con)
† Courts, Robert *(Witney)* (Con)
† Crosbie, Virginia *(Ynys Môn)* (Con)
† Debbonaire, Thangam *(Bristol West)* (Lab)
† Dines, Miss Sarah *(Derbyshire Dales)* (Con)
† Doogan, Dave *(Angus)* (SNP)
† Goodwill, Mr Robert *(Scarborough and Whitby)* (Con)
† Jones, Fay *(Brecon and Radnorshire)* (Con)
† Jones, Ruth *(Newport West)* (Lab)
† Jupp, Simon *(East Devon)* (Con)
† Kearns, Alicia *(Rutland and Melton)* (Con)
† Kruger, Danny *(Devizes)* (Con)
McCarthy, Kerry *(Bristol East)* (Lab)
† Morris, James *(Halesowen and Rowley Regis)* (Con)
† Oppong-Asare, Abena *(Erith and Thamesmead)* (Lab)
† Prentis, Victoria *(Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs)*
† Whittome, Nadia *(Nottingham East)* (Lab)
† Zeichner, Daniel *(Cambridge)* (Lab)

Kenneth Fox, Kevin Maddison, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 3 March 2020

(Afternoon)

[Sir David Amess *in the Chair*]

Agriculture Bill

Clause 27

Fair dealing obligations of business purchasers of agricultural products

2 pm

Ruth Jones (Newport West) (Lab): I beg to move amendment 77, in clause 27, page 22, line 4, leave out lines 4 to 7 and insert—

"(1) The Secretary of State must, before the end of the period of 12 months beginning with the day on which this Act is passed, make regulations—

(a) imposing obligations on all business purchasers of agricultural products in relation to contracts they make for the purchase of agricultural products from all qualifying sellers;"

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

Amendment 78, in clause 27, page 22, line 11, after "fair" insert "dealing and fair".

Amendment 79, in clause 27, page 22, line 12, at end insert—

"(2A) The Secretary of State may also make regulations for the purpose set out in subsection (2) in relation to the purchase of agricultural products in one or more of the sectors listed in Schedule 1 by business purchasers from qualifying sellers."

This amendment would ensure that there is an overarching requirement for fair dealing across the whole agricultural industry, with the ability to develop sector specific regulations to address any particular areas of unfair practice.

Ruth Jones: It is a pleasure to serve under your chairmanship this afternoon, Sir David. I am pleased to speak to these important amendments.

Over recent weeks, as we have worked our way through the Bill, my hon. Friend the Member for Cambridge and I have moved and spoken to a number of amendments, and I have noted not only the importance of this legislation, but the potential that accompanies it. As we approach this stage in our consideration of the Bill, it is time that we reminded ourselves of the motives and headlines around it.

Before she was sent to the Back Benches, the former Secretary of State, the right hon. Member for Chipping Barnet (Theresa Villiers), said that the Agriculture Bill

"will transform British farming, enabling a balance between food production and the environment which will safeguard our countryside and farming communities for the future."

I am sure Members will agree that those are aspirational and noble aims—a vision that nobody could disagree with. I just wish that the content of the Bill matched the media lines published by officials at the Department. However, I say to the Minister that we can deliver that vision together on a cross-party basis if the Government accept our ideas, our advice and our suggestions. There is no better time to start doing so than now, by accepting amendments 77, 78 and 79.

The amendments reflect a great deal of interest from many of the relevant external bodies, and we have received many thoughtful and reflective commentaries from organisations including the National Farmers Union, the Tenant Farmers Association and Greener UK. I am grateful to them all for the hard work they are doing on behalf of their members and sectors, which includes a collective welcoming of the fact that fairness is required in the supply chain; we need to ensure that there is transparency and openness, too. The Bill is particularly weak in those areas.

The Government need to rethink and revisit the supply chain provisions designed to secure a fairer price to farmers for the food they produce. Those provisions have been broadened in this iteration of the Bill, but there is still no duty to use them, and the Government have not published anything about how they intend to use the powers and who would be enforcing, using and safeguarding them. Our amendments would provide some clarification on those questions.

We note that the NFU believes there should be an obligation on a Secretary of State to introduce regulations to ensure a baseline of fair dealings between business purchasers and producers across all sectors, and that those regulations should be brought forward within 12 months of the Bill's coming into force. They are right to call for speedy implementation of the measures that would give effect to the fairness we all want, so I support those calls from the NFU.

We have heard from a number of stakeholders about the need for a strong and meaningful overarching body, and they are right. We need the Minister to provide some clarity about who that regulator will be, how it will work, and what it will look like. It is clear to us on the Labour Benches that the Government have a vital role to play, and our amendments will help ensure that this role is carried out. We should nail down today the fact that the regulator should be the Groceries Code Adjudicator. The Bill as it stands leaves hanging the question of who the regulator should be, and the last things anyone in the real world needs at this time are uncertainty, indecision and confusion.

The elephant in the room—we spoke earlier about one elephant in the room, but this is another elephant—is our departure from the European Union. There will soon be tough and competing demands on the Government for resources, focus, scrutiny and implementation, but I hope that in the weeks ahead, this Bill will receive the strong and guaranteed focus of Ministers on the Treasury Benches.

Mr Robert Goodwill (Scarborough and Whitby) (Con): Does the hon. Lady accept that there are some areas in the agricultural trade, such as the grain market, where there is no market failure? There are lots of buyers and lots of sellers in that area, and it operates very well.

Ruth Jones: I thank the right hon. Gentleman for his intervention. Of course, he is an expert in this area and I bow to his superior knowledge, but what we are saying is that we need to clear the matter up for the whole industry, not just for certain sectors that already work well. However, I appreciate his intervention.

I hope that the amendments have shown the Government that there is widespread support for this action. They are about not partisan advantage, but clarity for the sector and an improved set of circumstances and conditions. I am proud to have tabled them.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Victoria Prentis): What a pleasure it is to have you back with us, Sir David! I thank the hon. Lady for the amendments, which reflect an obvious desire to ensure that all farmers and producers are spared from unfair trading practices. We absolutely share that goal; our only disagreement is the means proposed to achieve it.

Essentially, we believe in the principle of a targeted solution for a specific problem, and we are keen to take the time to get the solution right. No two agricultural sectors are the same, and neither are the contractual issues that they face. Certain sectors, such as the poultry and grain sectors, may, as my right hon. Friend the Member for Scarborough and Whitby reminded us, be so well integrated that contractual problems do not often arise.

We should have targeted solutions where they are needed, but we need to avoid burdensome new requirements where they are not. To ensure that, the specific detail of each code will be developed in consultation with industry and set out in secondary legislation. Enforcing a time limit on the creation of fair-dealing obligations would prevent regulations accounting for the complex nature of our agricultural market.

Turning to amendment 78, I assure the hon. Member for Newport West that all types of agreement to purchase agricultural products can already be protected by the clause, and the position of farmers in the supply chain will be protected under the current drafting. The clause allows us to regulate for the purposes of fair contractual dealing. That goes beyond a formal, written contract. As the hon. Lady no doubt knows, a contract constitutes any agreement of sale, whether it is formally written down or not. In the dairy sector, it is commonplace to write things down; in other sectors, there are more informal, word-of-mouth arrangements, particularly in the red meat world and parts of the arable world. However, the clause covers all agreements, written or otherwise.

On amendment 79, we deliberately designed the clause to be as flexible as possible. That is a change since the previous iteration of the Bill. Having listened to comments made at the time, we severed the link to the list of sectors in schedule 1 so that future regulations are no longer bound by it. It remains very much our belief that each sector is different and requires a tailored approach. We intend to be forensic in establishing what the needs of each sector are. That will include detailed engagement with industry.

Daniel Zeichner (Cambridge) (Lab): I am thinking back to our earlier discussion on data throughout the entire system. Why do some sectors need to be treated differently here, but did not when it came to the collection of data?

Victoria Prentis: During our earlier conversation, it was clear that we will have to be forensic and tailored in our approach to data collection. This is very much part of the same theme. We do not want to treat all sectors the same when they raise different issues and come to us with very different current practices.

If issues that are consistent across multiple sectors are revealed, and if they could be addressed under new, comprehensive regulation, we absolutely have the power to deliver that. I therefore ask the hon. Member for Newport West to withdraw the amendment.

Ruth Jones: I listened very carefully to the Minister. I agree that we do not disagree on the broad principles, but I am seeking to get the regulations tied down so that they are clear and comprehensive for everybody in the agricultural sector. It seems reasonable that the Groceries Code Adjudicator should be the regulator. I do not see any dissent from that, but it would be helpful if we could tie things down in writing rather than, as the Minister says, in verbal agreements.

I must apologise to the right hon. Member for Scarborough and Whitby—I misheard his earlier intervention; I thought he was talking about the "grey" area, not the "grain". I misunderstood completely. I apologise, and will wash out my ears.

I welcome the Minister's assurances—she is listening and wants to make things run as smoothly as possible. However, given this time of general unclarity, as we leave the EU, with all the uncertainty that is throwing up, we need things set in writing now for the months and years ahead, to prevent any misunderstandings or anything going wrong in that respect. I accept that the Minister has described the Bill as a new iteration, and we accept that it is improved, but at the same time we still need clarity, transparency and openness. We will therefore press the amendment to a vote.

The Committee divided: Ayes 5, Noes 10.

Division No. 16]

AYES

Debbonaire, Thangam	Whittome, Nadia
Jones, Ruth	
Oppong-Asare, Abena	Zeichner, Daniel

NOES

Courts, Robert	Jupp, Simon
Crosbie, Virginia	Kearns, Alicia
Dines, Miss Sarah	Kruger, Danny
Goodwill, rh Mr Robert	Morris, James
Jones, Fay	Prentis, Victoria

Question accordingly negatived.

Deidre Brock (Edinburgh North and Leith) (SNP): I beg to move amendment 19, in clause 27, page 22, line 9, at end insert—

"(1A) 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 regulations containing provisions that extend to Scotland may be made only with the consent of the Scottish Ministers.

The Chair: With this it will be convenient to discuss amendment 20, in clause 27, page 23, line 27, at end insert—

"(10A) Before making regulations under this section, the Secretary of State must consult persons—

(a) who are representative of—

(i) qualifying sellers of, or

(ii) business purchasers of,

the agricultural products to which the regulations will apply, or

(b) who may otherwise be affected by the regulations."

Deidre Brock: It is, as always, a pleasure to serve under your chairmanship, Sir David.

It might help the Committee if I lay out briefly a little of the SNP's reasoning behind our approach to the Bill and to the amendments. Scottish agriculture has always followed a different line from UK agricultural policy. Different circumstances—very different, in many cases—demanded that. Agricultural policy had administrative devolution long before the modern era of democratic devolution.

In the days before the Scottish Parliament was reconvened, the old Scottish Office, which I am sure you remember, Sir David, had responsibility for agricultural policy in Scotland, just as it did for many other areas of policy. It was administratively devolved, and the re-establishment of the Scottish Parliament in 1999 simply democratised that devolution. In fact, stories tell of Scottish Ministers of old doing battle with their UK counterparts on such issues, arguing the case for that devolution settlement to be respected, way back as far as Mrs Thatcher's Government and George Younger's ding-dongs with colleagues.

The SNP is simply seeking to protect the decision-making powers of the Scottish institutions in the Bill, to ensure that the policies applied can be the best fit for the farmers and crofters concerned. That is why we have argued and continue to make the case for the Scottish Parliament and its Ministers to hold the powers for Scottish agriculture and food production. That is why I am in Committee now: I will make a case that some present might not give two hoots about. Despite all that, I will continue to argue it.

Amendment 19 specifically mandates that Scottish Ministers retain their devolved powers and that when, and only when, regulations made under the clause extend to Scotland, the Scottish Government will have to consent to them. I have been following the Tory leadership election in Scotland; I understand that the current Scottish Tory leader intends to be the next First Minister, so enshrining that principle in legislation would clearly be a big help to him. Perhaps the Minister will bear that in mind. It would also have the benefit of being the right thing to do, and it respects the devolution settlement. I certainly hope the Government will support the amendment.

Amendment 20 would sensibly ensure that the businesses most closely affected by the regulations are consulted before the regulations are created. That is an extremely sensible way to conduct Government, and it helps to ensure that unintended consequences are kept to the bare minimum and that the industry buys into the regulations. It seems to be a sensible and measured amendment, and I hope the Minister will support it.

2.15 pm

Victoria Prentis: I appreciate the hon. Lady's clear desire to ensure that any statutory codes are fit for purpose, and we are equally committed to ensuring just that. We want to see consistent protection against unfair trading practices for farmers wherever they are in the United Kingdom. We continue to consult widely and meaningfully with everyone who will be affected by our new codes of conduct, including the devolved Administrations and producers in those territories. Their views will be listened to and respected.

Amendment 19 is designed to require the consent of Scottish Ministers in respect of the regulations, thereby potentially preventing the UK Parliament from developing codes of conduct that would apply across the UK. We do not think it appropriate, nor is it in line with the devolution settlement. The objective of clause 27 is to promote fair contractual dealing and to prevent the abuse of a dominant market position. The Department for Environment, Food and Rural Affairs sought a view from the Competition and Markets Authority on whether that is a devolved matter. The CMA's view is that the purpose of promoting fair contractual dealing is definitely related to the regulation of competition. Competition is a matter reserved to the UK Parliament. As such, clause 27 is reserved and we should not be seeking legislative consent to exercise powers that are reserved to the UK Parliament. Amendment 20 deals with the obligation for broader consultation, and we are committed to using those powers in the most effective and least burdensome way possible.

We fully acknowledge that it is crucial for any new codes to be the product of a deep partnership between Government and industry. Thorough consultations will be conducted prior to the design and introduction of the new statutory codes. However, placing a requirement to consult in primary legislation would be burdensome, especially for regulations that make only minor and technical changes. I therefore ask the hon. Lady to consider withdrawing the amendment.

Deidre Brock: I thank the Minister for her response, but I am afraid that we will have to agree to disagree. It is very much the SNP's view that these competencies rest with Scottish Ministers. Where common frameworks are to be decided on, they should be agreed, not imposed. That lies at the heart of what we are talking about. I appreciate the Minister's honesty on this issue, but I will ask for the amendments to be pushed to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 2, Noes 15.

Division No. 17]

AYES

Brock, Deidre	Doogan, Dave

NOES

Courts, Robert	Kearns, Alicia
Crosbie, Virginia	Kruger, Danny
Debbonaire, Thangam	Morris, James
Dines, Miss Sarah	Oppong-Asare, Abena
Goodwill, rh Mr Robert	Prentis, Victoria
Jones, Fay	Whittome, Nadia
Jones, Ruth	Zeichner, Daniel
Jupp, Simon	

Question accordingly negatived.

Amendment proposed: 78, in clause 27, page 22, line 11, after "fair" insert "dealing and fair".—*(Daniel Zeichner.)*

The Committee divided: Ayes 5, Noes 10.
Division No. 18]

AYES

Debbonaire, Thangam	Whittome, Nadia
Jones, Ruth	
Oppong-Asare, Abena	Zeichner, Daniel

NOES

Courts, Robert	Jupp, Simon
Crosbie, Virginia	Kearns, Alicia
Dines, Miss Sarah	Kruger, Danny
Goodwill, rh Mr Robert	Morris, James
Jones, Fay	Prentis, Victoria

Question accordingly negatived.

Ruth Jones: I beg to move amendment 82, in clause 27, page 23, line 15, leave out "a specified person" and insert "the Groceries Code Adjudicator".

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

Amendment 83, in clause 27, page 23, line 23, at end insert—

'(8A) The Groceries Code Adjudicator Act 2013 is amended, by inserting after section 2 (Arbitration)—

"2A Fair dealing: determination of complaints alleging non-compliance

(1) If a complaint relating to alleged non-compliance is referred to the Adjudicator under section 27(8)(a) of the Agriculture Act 2020, the Adjudicator must determine the complaint.

(2) In determining any allegation of non-compliance under subsection (1), the Adjudicator must act in accordance with any regulations made under subsection (1) of section 27 of the Agriculture Act 2020 which make provision for investigation of complaints, imposition of penalties or a requirement to pay compensation, as specified by subsection (8) of section 27 of that Act."'

Amendment 80, in clause 27, page 23, line 25, after "any" insert "competent and appropriate".

This amendment would ensure that the role of regulating agricultural contracts is given to a body which is competent to undertake qualitative assessments; for example, the Groceries Code Adjudicator's office.

Amendment 81, in clause 27, page 23, line 26, after "provide for a" insert "competent and appropriate".

This amendment would ensure that the role of regulating agricultural contracts is given to a body which is competent to undertake qualitative assessments; for example, the Groceries Code Adjudicator's office.

Ruth Jones: I will speak to all the amendments together. Being mindful of time, I will not read out the wording of the amendments. I know that hon. Members are grateful for that.

The amendments would ensure that the role of regulating agricultural contracts is given to a body that is competent to undertake qualitative assessments, such as the Groceries Code Adjudicator's office. That sensible suggestion would ensure that effective and authoritative oversight and assessment takes place.

External organisations such as the Tenant Farmers Association believe that the Government have a vital role in the face of significant market failure in agriculture and food supply chains, but it is concerning that the Government do not see that as forming part of an expanded role for the Groceries Code Adjudicator. It has been proposed instead that the Rural Payments Agency would be an appropriate regulator. The Government need to explain why they think that the RPA has sufficient expertise in that area; I look forward to the Minister's explanation on that specific point. There seems to be no reason why the responsibility should be placed anywhere other than with the Groceries Code Adjudicator.

The Government have previously decided not to broaden the scope of the Groceries Code Adjudicator. Those decisions suggest that, without a clear duty, they will come under pressure from retailers to row back on the provisions. We need to be focused and tenacious in how we monitor the assessment process, including the criteria used. Importantly, the amendments would provide the clarity and certainty that are desperately needed by our farmers and the agricultural sector more generally.

We need to drill down to the detail and explicitly identify which regulatory body will be in charge and what expertise and experience the Government expect it to have. When will the Government see fit to provide a clear answer on that? I look forward to the Minister's response to these probing amendments.

Victoria Prentis: We are committed to tackling supply chain injustices, and an effective enforcement regime is a crucial part of that process. It is important to state that no decisions have yet been made about the nature of enforcement or the body responsible for it. We intend to listen to the ideas and concerns of the industry before any decisions are made, and we will of course exercise due diligence in designing the enforcement regime when we appoint the regulator.

I understand the attraction of replicating the success of the GCA elsewhere in the food supply chain, but it is important to recognise that the GCA works so well because it has a very targeted focus on the behaviours of extremely large retailers that deal with their direct suppliers and have a good understanding of how that particular supply chain works.

A 2018 Government review found insufficient evidence of widespread problems further down the groceries supply chain to justify extending the remit of the GCA to indirect suppliers. The issues that the review identified were sector-specific and are best addressed with the proportionate and targeted interventions contained in the Bill.

No decisions have yet been made about enforcement. Although the RPA has undoubtedly had difficulties with direct payments in the past, it has a wealth of experience in the agricultural markets. We will take a measured approach to arrive at the best possible decision. I ask the hon. Lady not to press the amendment to a vote.

Ruth Jones: I thank the Minister for her explanation. Obviously, external bodies and stakeholders will be actively encouraged to lobby the Government on the matter, and I hope that they will take the opportunity to do so. In the meantime, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 20, in clause 27, page 23, line 27, at end insert—

"(10A) Before making regulations under this section, the Secretary of State must consult persons—

(a) who are representative of—
(i) qualifying sellers of, or
(ii) business purchasers of,
the agricultural products to which the regulations will apply, or
(b) who may otherwise be affected by the regulations."—*(Deidre Brock.)*

Question put, That the amendment be made.

The Committee divided: Ayes 2, Noes 15.

Division No. 19]

AYES

Brock, Deidre	Doogan, Dave

NOES

Courts, Robert	Kearns, Alicia
Crosbie, Virginia	Kruger, Danny
Debbonaire, Thangam	Morris, James
Dines, Miss Sarah	Oppong-Asare, Abena
Goodwill, rh Mr Robert	Prentis, Victoria
Jones, Fay	Whittome, Nadia
Jones, Ruth	Zeichner, Daniel
Jupp, Simon	

Question accordingly negatived.

Clause 27 ordered to stand part of the Bill.

Clause 28

Producer and interbranch organisations etc: application for recognition

Deidre Brock: I beg to move amendment 21, in clause 28, page 23, line 42, leave out "to the Secretary of State".

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

Amendment 22, in clause 28, page 24, line 12, leave out "to the Secretary of State".

Amendment 23, in clause 28, page 24, line 20, leave out "to the Secretary of State".

Amendment 24, in clause 28, page 24, line 38, at end insert

"(6A) An application under subsection (1), (3) or (5) is to be made to and determined by—
(a) the appropriate authority for the part of the United Kingdom in which the applicant has its registered office or principal place of business, or
(b) where the applicant is made up of producers, producer organisations or, as the case may be, businesses operating in more than one part of the United Kingdom, the appropriate authority for any of those parts."

Amendment 25, in clause 28, page 25, line 5, leave out "The Secretary of State" and insert "The appropriate authority to which an application is made under this section".

Amendment 26, in clause 28, page 25, line 24, at end insert

""appropriate authority" means—
(a) in relation to England, Wales or Northern Ireland, the Secretary of State,
(b) in relation to Scotland, the Scottish Ministers;"

This amendment, together with Amendment 25 would require organisations of agricultural producers, associations of recognised producer organisations, and organisations of agricultural businesses to apply for recognition to the appropriate authority in the country of the UK where the applicant is principally based.

Amendment 27, in clause 29, page 26, line 9, leave out "the Secretary of State" and insert "an appropriate authority (within the meaning given in section 28(13))".

This amendment would require the delegation of functions to require permission from the appropriate authority.

Amendment 28, in clause 30, page 26, line 16, leave out "the Secretary of State" and insert "an appropriate authority (within the meaning given in section 28(13))".

This amendment would allow regulations to give the power to delegate functions to be made by an appropriate authority.

Deidre Brock: I will speak to all of these amendments very briefly; they are completely self-explanatory. Again, they are about respecting the devolution settlement and the current powers of the Scottish Parliament and Government. Ensuring that Scottish organisations apply in Scotland rather than in Whitehall would help to keep the task off Whitehall's desk, saving unnecessary effort on the part of UK Ministers and officials, which the Minister might want to keep in mind.

2.30 pm

Victoria Prentis: I thank the hon. Lady for her thoughtful desire to progress with these amendments, to ensure that Scottish farmers are effectively and appropriately supported. We are committed to ensuring that the provisions are applied effectively in all the nations of the United Kingdom.

Recognition as a producer organisation, association of producer organisations or inter-branch organisation automatically activates exemptions from competition law. That has been the case under the EU regime since the omnibus regulation, which amended several CAP instruments at the beginning of 2018.

That approach will continue under the new domestic PO regime. The act of granting recognition therefore relates directly to competition law, which, as I said earlier, is reserved to the UK Parliament. However, I will take this opportunity to assure both the hon. Lady and Scottish Ministers that this merely reflects the status of competition law as an area reserved to the UK Parliament. The PO regime will continue to operate as it always has. We have no intention of introducing jarring changes that will undermine its functioning. It will continue to be administered by the RPA, as is currently the case. We will consult thoroughly, both with the devolved Administrations and with farmers, in every part of the UK, during the development of our bespoke UK regime. I ask the hon. Lady to withdraw the amendment.

Daniel Zeichner: A number of these amendments relate to wider devolution issues; my comments are applicable to a number of them, in particular those that we are discussing at the moment.

We are going to need clarity on how we will work together in the future, because the structures being set up are quite complicated. For some, it would be entirely reasonable for the powers to be passed to the devolved

organisations, but there needs to be a detailed discussion about the merits in each case. At the moment, I am not convinced in this instance. I was actually persuaded by the Minister's arguments about whether, as we stand, passing these matters down to the devolved nations would be the right way to go. Although I certainly would not rule out considering doing that further in future, because we want to ensure that we devolve as much power as possible, there are issues around competition law—we will come to further amendments where is some interaction with World Trade Organisation rules, general agreement on tariffs and trade rules and so on, which make it difficult to do that. While supporting the Government on this occasion, I want to put down a marker to say that in future we would want to devolve where possible.

Deidre Brock: I am very interested to hear the hon. Gentleman's comments. Clearly, there are discussions to be had—before Report, perhaps—on this and many other issues. However, I am afraid this still comes back to the point that, in our view, these decisions are more properly reserved to Scottish Ministers, and so we will be pushing the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 2, Noes 15.

Division No. 20]

AYES

Brock, Deidre	Doogan, Dave

NOES

Courts, Robert	Kearns, Alicia
Crosbie, Virginia	Kruger, Danny
Debbonaire, Thangam	Morris, James
Dines, Miss Sarah	Oppong-Asare, Abena
Goodwill, rh Mr Robert	Prentis, Victoria
Jones, Fay	Whittome, Nadia
Jones, Ruth	Zeichner, Daniel
Jupp, Simon	

Question accordingly negatived.

Clause 28 ordered to stand part of the Bill.

Schedule 1 agreed to.

Clause 29 ordered to stand part of the Bill.

Schedule 2 agreed to.

Clause 30

Regulations under sections 28 and 29

Deidre Brock: I beg to move amendment 29, in clause 30, page 26, line 29, at end insert—

"(2A) Regulations under section 28 or 29 containing provision that extends to Scotland may be made only with the consent of the Scottish Ministers."

This amendment would ensure that regulations under section 28 or 29 containing provision that extend to Scotland may be made only with the consent of Scottish Ministers.

This amendment would ensure that the Scottish Administration is involved in decisions on devolved areas, which seems sensible—I would be interested to hear support from Labour in certain regards. The Minister would surely approve of the amendment, given how much Ministers have worked with Scottish Ministers on the Bill so far, so I look forward to seeing her support for the amendment.

Victoria Prentis: The amendment seeks to give Scottish Ministers discretion in respect of the regulations, potentially preventing the UK Parliament from creating a UK-wide producer organisation scheme. As I noted previously, the act of granting producer organisation recognition relates directly to competition law, which is reserved to the UK Parliament. We absolutely look forward to working collaboratively with our colleagues from the devolved Administrations when designing the new UK-wide domestic scheme, but given the circumstances outlined, I ask the hon. Lady to withdraw the amendment.

Deidre Brock: The amendment gets to the heart of the issue. This is designed to be a common framework. As many will recall from when we heard evidence, and from the previous Agriculture Bill Committee as well, where common frameworks were to be agreed across the UK, all the NFUs were in favour of decisions being agreed, not imposed. I see this as part of that outlook, which is not one that we are willing to support, so we will push this amendment to a vote.

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

The Committee divided: Ayes 2, Noes 15.

Division No. 21]

AYES

Brock, Deidre	Doogan, Dave

NOES

Courts, Robert	Kearns, Alicia
Crosbie, Virginia	Kruger, Danny
Debbonaire, Thangam	Morris, James
Dines, Miss Sarah	Oppong-Asare, Abena
Goodwill, rh Mr Robert	Prentis, Victoria
Jones, Fay	Whittome, Nadia
Jones, Ruth	Zeichner, Daniel
Jupp, Simon	

Question accordingly negatived.

Clause 30 ordered to stand part of the Bill.

Clause 31

Fertilisers

Victoria Prentis: I beg to move amendment 51, in clause 31, page 28, line 48, leave out

"the National Assembly for Wales"

and insert "Senedd Cymru".

Section 2 of the Senedd and Elections (Wales) Act 2020 (2020 anaw 1) changes the name of the Welsh legislature to "Senedd Cymru or the Welsh Parliament". This amendment and Amendments 52 to 61 are consequential amendments and they follow the new practice in the English language version of devolved Welsh legislation of using the Welsh name only when referring to the Welsh legislature.

The Chair: With this it will be convenient to discuss Government amendments 57 to 60, 52, 53, 61, and 54 to 56.

Victoria Prentis: Section 2 of the Senedd and Elections (Wales) Act 2020 changes the name of the Welsh legislature to "Senedd Cymru"—I hope the hon. Member for Newport West will correct me if got that wrong, although my Welsh relatives would not forgive me—or "the Welsh Parliament". Amendments 51 to 61 are technical consequential amendments. They follow the new practice, in the English language version of devolved Welsh legislation, of using only the Welsh name when referring to the Welsh legislature.

Ruth Jones: These are simple amendments that reflect the strengthened importance of Wales as an equal partner in the four-way relationship that makes up the United Kingdom. Labour will support them, as they are clearly a tidying-up exercise. However, we should not be clearing up on matters of respect, so I caution all Ministers to be mindful and respectful.

Amendment 51 agreed to.

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

Clause 32

IDENTIFICATION AND TRACEABILITY OF ANIMALS

Amendments made: 89, in clause 32, page 30, line 5, after "England" insert "or Wales".

This amendment treats Wales in the same way as England in terms of the future application of section 8(1)(a) of the Animal Health Act 1981, once the provisions of European law mentioned in clause 32(3) and (4) cease to apply in England and Wales.

Amendment 90, in clause 32, page 30, line 7, leave out "Wales or".

This amendment is consequential on Amendment 89

Amendment 91, in clause 32, page 30, line 10, leave out from "under" to end of line and insert

"subsection (1)(a) made by the Secretary of State or the Welsh Ministers".

This amendment limits the proposition inserted in section 8 of the Animal Health Act 1981 by clause 32(2)(b) to provision made under section 8(1)(a) about the means of identifying animals. It also secures that the Welsh Ministers, as well as the Secretary of State, can make provision under section 8(1)(a) that binds the Crown.

Amendment 92, in clause 32, page 30, line 16, after "England" insert "or Wales".

This amendment alters the words inserted in Regulation (EC) No 1760/2000 by clause 32(3) in order to treat Wales in the same way as England in disapplying Title 1 of that Regulation.

Amendment 93, in clause 32, page 30, line 16, at end insert

", and

(b) in Article 22 (compliance)—

(i) in paragraph 1 at the end insert—

'The fourth, fifth and sixth subparagraphs do not apply in relation to England or Wales.', and

(ii) in paragraph 2 at the end insert—

'This paragraph does not apply in relation to England or Wales.'"

This amendment makes changes to Regulation (EC) No 1760/2000 which are consequential on the disapplication by clause 32(3) of Title 1 of that Regulation in relation to England and Wales.

Amendment 94, in clause 32, page 30, line 21, at end insert "or Wales".—*(Victoria Prentis.)*

This amendment alters the words inserted in Council Regulation (EC) No 21/2004 in order to treat Wales in the same way as England in disapplying that Regulation.

Clause 32, as amended, ordered to stand part of the Bill.

Clause 33

RED MEAT LEVY: PAYMENTS BETWEEN LEVY BODIES IN GREAT BRITAIN

Deidre Brock: I beg to move amendment 30, in clause 33, page 31, line 32, at end insert—

"(10) The first scheme under this section must come into force no later than 1 April 2021."

The amendment is basically all about ensuring that equitable distribution of the red meat levy moneys is made timeously. I want that to be done as early and smoothly as possible. It has been waited on throughout the UK for a considerable time, but I certainly imagine that Ministers in the various Administrations have discussed it. If the Minister could assure me that that is happening, and that we are looking at an implementation date in April next year, I would not see any need to press the amendment to a Division.

2.45 pm

Victoria Prentis: I am grateful to the hon. Member for raising the issue of the red meat levy with her amendment. I recognise that there is an inequality arising from the current system of producing the red meat levy. Indeed, our Parliamentary Private Secretary has been assiduous in bringing that to our attention.

The clause is designed to provide a permanent solution to this long-standing issue. In the meantime, the three levy bodies—the Agriculture and Horticulture Development Board, Quality Meat Scotland and the HCC, which I will not even begin to pronounce—*[Interruption.]* The hon. Member for Newport West must bear it in mind that I have a vast number of Welsh relations who would not appreciate it if I did not get my pronunciation perfect. The three levy bodies are working collaboratively, using the interim fund, to benefit the red meat industry across the whole of Great Britain. Adequate time must be allowed for the full and careful development of a redistribution scheme, allowing for due consideration and consultation in order to provide a workable solution.

The amendment moved by the hon. Member for Edinburgh North and Leith would provide a short timeframe in which to create a new scheme. Imposing such a deadline is not appropriate, because it is important that we consult properly on how the redistribution of the red meat levy is delivered, and the Administrations must have time to agree the scheme. The interim fund continues to be available in the meantime. I therefore apologise that I cannot give her every assurance she seeks at this point, but she knows that we have worked hard to put right this wrong, and will continue to do so. In that spirit, I ask that she withdraw the amendment.

Daniel Zeichner: I will be brief, but the clause is something that we can all welcome. There has been a long-running difficulty and it reflects changes in the availability of local abattoirs in particular. Many of us would like to see measures elsewhere to try to redress that. In the absence of that, the world has changed and it is welcome that the Government are responding positively. If it is pressed to a vote, we will be happy to support the SNP's position.

Deidre Brock: I confess that I am disappointed by the Minister's response, because this situation has been ongoing for years. Many people have been waiting patiently, for the most part, to get a decision taken on this. It is extremely disappointing to hear that we cannot even get an assurance that this will be available and implemented in April 2021. In the light of that, I will press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 7, Noes 10.

Division No. 22]

AYES

Brock, Deidre	Oppong-Asare, Abena
Debbonaire, Thangam	Whittome, Nadia
Doogan, Dave	
Jones, Ruth	Zeichner, Daniel

NOES

Courts, Robert	Jupp, Simon
Crosbie, Virginia	Kearns, Alicia
Dines, Miss Sarah	Kruger, Danny
Goodwill, rh Mr Robert	Morris, James
Jones, Fay	Prentis, Victoria

Question accordingly negatived.

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

Victoria Prentis: The clause will address the current inequality in the distribution of the red meat levy within Great Britain caused by the complex movement of pigs, cattle and sheep when animals cross from one country to another for further rearing and finishing and for slaughter. The levy is collected at the point of slaughter and can only be spent to benefit that country's industry. The clause will allow for a scheme to redistribute some producer red meat levy between the levy boards of England, Scotland and Wales. It will sit beside the current legal framework and allow the transfer of levy.

Question put and agreed to.

Clause 33 accordingly ordered to stand part of the Bill.

Clause 34 ordered to stand part of the Bill.

Schedule 3

Agricultural tenancies

Ruth Jones: I beg to move amendment 87, in schedule 3, page 50, line 15, leave out "may" and insert "must".

The Chair: With this it will be convenient to discuss amendment 88, in schedule 3, page 50, leave out lines 27 to 29 and insert—

"the landlord's consent to a matter on which the landlord's consent is required,".

Ruth Jones: Amendment 87 is designed to make it a requirement for the Government to bring forward regulations to provide a framework for tenants to object to their landlord's refusal to allow them to enter a relevant financial assistance scheme. As drafted, the Bill provides the power for the Government to introduce regulations, but it is not a requirement. There is a trend in the Bill for the Government to use the weakest language possible or to take the most timid of approaches. In our view, it is essential that tenant farmers are given full certainty in this situation.

Tenant farmers have welcomed the recognition that they require and deserve additional measures to protect them, and this is one of the areas that we highlighted during discussions on a previous version of the Agriculture Bill. We are pleased that our probing has produced a framework of protection for tenants, but it is essential that the provisions are used. If they are not used, what is the point of having them in the Bill? If it is the Government's intention to use the provisions, it will not be a problem to change them from a "may" to a "must". That is one of our big points on the Bill—we would strengthen the weak wording. We want to strengthen up, not level down.

The Minister's predecessor, now the Secretary of State, has shown a willingness to listen, engage and reflect on Opposition amendments. I hope that the Government will go further, listen harder and deliver for tenant farmers.

Amendment 88 is about action. It would close a potential loophole in the Bill about the consent of the landlord. Currently, it sets out the circumstances where any regulations will apply in respect of a landlord's consent. They are defined as circumstances where either the agricultural tenancy legislation or the contract of the tenancy requires the tenant to have the landlord's consent. What that appears to have missed out—I am sure it is inadvertent, but it has done so—is where the provisions of the financial assistance scheme itself require the tenant to obtain the landlord's consent.

As an example, the current countryside stewardship scheme requires all tenants occupying land under the Agricultural Holdings Act 1986 to have their landlord's consent, even though those tenants will have security of tenure. The amendment would ensure that tenants have recourse to the regulations in every case where the landlord's consent is required. I am sure the Minister would not want any of the provisions or effects of the Bill to create difficulties for tenants in accessing public money for public good, which is obviously the Government's favoured system for replacing the basic payment scheme.

I place on record my thanks to all those organisations that have made representations on the issue. I think of the Tenant Farmers Association and their chief executive George Dunn as an example of strong and effective campaigning.

These are simple, arguably technical, but important and empowering amendments. The Government have demonstrated a willingness to listen and engage to a degree, but I call on them to go further—to take the plunge and deliver on what is a cross-party and all-UK commitment to empowering and supporting our farmers. The Bill needs to be joined up, it needs to be smart and it needs to be fit for purpose. The amendments help in that purpose. I hope the Government, and indeed the hon. Member for Edinburgh North and Leith, will support them.

Victoria Prentis: Agricultural tenancies are a vital part of our farming industry, accounting for nearly a third of all farmland in England and Wales. I want to see a thriving tenant farming sector in the future. That is why we have included provisions in the Bill to modernise agricultural tenancy legislation.

[Victoria Prentis]

Turning first to amendment 87, the Committee has already considered at length the use of the words "may" and "must" in legislation. I do not intend to go over those arguments again. As I said last week, the use of the word "may" is entirely consistent with other legislation in this sphere. I assure the hon. Member for Newport West that there is absolutely no doubt that the Government intend to use the powers to make these important regulations and that we will move quickly to do so. Plans are already under way to meet industry representatives for discussions on their scope and content.

I understand the drive behind amendment 88, which seeks to broaden the scope of the dispute provisions to cover any situation where the tenant may need the landlord's consent to undertake an activity. However, the intention of these provisions is to provide tenants of the older Agricultural Holdings Act 1986 agreements with a mechanism to challenge outdated restrictions in those agreements. In some cases, they were written 30 or 40 years ago, when there was a very different policy and commercial environment. That is why it is important that the procedure for referring requests to dispute remains clearly linked to the terms of the tenancy agreement. To broaden the scope further to include any issue or activity where landlord consent is required risks unintended consequences and opens up the potential for misuse of the provisions, which could damage landlord-tenant relations.

The provisions in schedule 3 had broad support in our public consultation. They have been shaped to ensure that the interests of both tenants and landlords are considered. We will continue to consult the industry generally, including members of the tenancy reform industry group, as we develop the supporting regulations. I therefore ask the hon. Member for Newport West to withdraw the amendment.

Ruth Jones: Again, the Minister and I share the same broad aims and principles, which is great. However, we have not changed our minds about "may" and "must", and the need to strengthen this legislation and beef it up to give people the protection they require. I am glad that the Minister has agreed that stakeholders will have the opportunity to lobby and that she will be consulting widely as the Bill is developed. I accept the history of the tenancy agreement Acts, but we will press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 5, Noes 10.

Division No. 23]

AYES

Debbonaire, Thangam	Whittome, Nadia
Jones, Ruth	
Oppong-Asare, Abena	Zeichner, Daniel

NOES

Courts, Robert	Jupp, Simon
Crosbie, Virginia	Kearns, Alicia
Dines, Miss Sarah	Kruger, Danny
Goodwill, rh Mr Robert	Morris, James
Jones, Fay	Prentis, Victoria

Question accordingly negatived.

Amendments made: 57, schedule 3, page 51, line 37, leave out "the National Assembly for Wales" and insert "Senedd Cymru".

See the explanatory statement for Amendment 51.

Amendment 58, schedule 3, page 54, line 9, leave out "the National Assembly for Wales" and insert "Senedd Cymru".

See the explanatory statement for Amendment 51.

Amendment 59, schedule 3, page 54, line 14, leave out "the National Assembly for Wales" and insert "Senedd Cymru".

See the explanatory statement for Amendment 51.

Amendment 60, schedule 3, page 54, line 19, leave out "the National Assembly for Wales" and insert "Senedd Cymru".—(*Victoria Prentis.*)

See the explanatory statement for Amendment 51.

3 pm

Ruth Jones: I beg to move amendment 85, in schedule 3, page 55, line 20, at end insert—

'(1A) In subsection (1) leave out "section" and insert "sections 28A and"."

The Chair: With this it will be convenient to discuss amendment 86, in schedule 3, page 55, line 31, at end insert—

26A After section 28 insert—

"28A Disputes relating to requests for landlord's consent or variation of terms

(1) Subsection (2) applies where a tenant under a farm business tenancy has made a request to a landlord for the purposes of—

(a) enabling the tenant to request or apply for relevant financial assistance or relevant financial assistance of a description specified in regulations under subsection (2), or

(b) complying with a statutory duty, or a statutory duty of a description specified in regulations under subsection (2), applicable to the tenant,

and the request meets such other conditions (if any) as may be specified in regulations under subsection (2).

(2) The appropriate authority may by regulations make provision for a tenant under a farm business tenancy to refer for arbitration under the Agricultural Holdings Act 1986 a request under subsection (1) if no agreement has been reached with the landlord on the request.

(3) Subsections (2) and (4) to (6) of section 19A of the Agricultural Holdings Act 1986 (as inserted by paragraph 7 of Schedule 3 to the Agriculture Act 2020) shall apply to any regulations made under subsection (2) of this section.

(4) In this section—

"appropriate authority" means—

(a) in relation to England, the Secretary of State, and

(b) in relation to Wales, the Welsh Ministers;

"relevant financial assistance" means financial assistance under—

(a) section 1 of the Agriculture Act 2020 (powers of Secretary of State to give financial assistance),

(b) section 19 of, or paragraph 7 of Schedule 5 to, that Act (powers of Secretary of State and Welsh Ministers to give financial assistance in exceptional market conditions), or

(c) a scheme of the sort mentioned in section 2(4) of that Act (third party schemes);

"statutory duty" means a duty imposed by or under—
(a) an Act of Parliament;
(b) an Act or Measure of Senedd Cymru;
(c) retained direct EU legislation.""

Ruth Jones: I will speak briefly to both amendments. Like all the amendments tabled by my hon. Friends and me, they are important, and I hope they will receive a fair hearing. They cover the elements of the Bill that look at powers available to tenants, succession rules and guidance around rent reviews. Anybody who has been to a farm or has a farm in their constituency will know that, although those areas are niche, they are incredibly important.

Amendments 85 and 86 would ensure that tenants renting land under the Agricultural Tenancies Act 1995 can object to a landlord's refusal to allow access to financial assistance. The Bill currently omits cover for those tenants and we need to address that. That lack of protection is odd, given that, as the Minister has said, nearly half the land in the tenanted sector in England is now let under 1995 provisions. In Wales, the figure is more than a quarter of the land.

Over time, that area of land will grow and it will be important to ensure that those tenants are protected as much as those under the 1986 Act. Given that these are more modern agreements, which will have had the full attention of the legal profession in their drafting, they are more likely to include more restrictive clauses than those under the older legislation. That will cause problems for tenants if they do not have adequate recourse to object to the use of those restrictive clauses within the new policy framework.

It will be a significant failure if we cannot provide the same level of protection to tenants under the 1995 Act as we are seeking to provide to tenants under the 1986 Act. That is a simple but important point. I hope that the Minister will receive it warmly, in the spirit that it is intended.

Victoria Prentis: I receive all the hon. Lady's amendments warmly. She has again raised an important issue. Farm business tenancies are a vital part of our farming industry. They provide a flexible way for established farmers to expand their business, by renting additional parcels of land. Crucially, they also open the way for new entrants, with no family connection to the land, to get a foothold in the sector.

As I have already stated, I want a thriving tenant farming sector. That is why we have included provisions in the Bill to modernise agricultural tenancy legislation. Although I recognise concerns that the new dispute conditions do not include farm business tenancy agreements, there are very important reasons for that.

Daniel Zeichner: Will the Minister give way?

Victoria Prentis: Shall I set out some of my reasons first? Then, if necessary, I will give way to the hon. Gentleman. First, evidence from the public consultation on this issue in England does not support extending the provision to include farm business tenancies. That is because, as the hon. Member for Newport West said, they are more modern, commercial agreements, negotiated more recently than agreements under the 1986 Act. They are shorter term and reviewed more regularly, so that tenants have the opportunity to renegotiate and vary the terms to fit changing commercial conditions, and ensure that they can access future financial assistance schemes.

Secondly, the legal framework governing farm business tenancies already provides for enabling the parties to agree terms, so that the tenant can continue to deliver diversified activities, such as environmental schemes, alongside farming. Thirdly, extending the provisions to include farm business tenancies risks undermining landlord confidence in tenancy agreements that had been freely and relatively recently entered into by both parties. That could lead to landlords withdrawing from the let sector in favour of contracting or farming in hand, which would reduce opportunity for tenant farmers.

The aim of the provisions is to provide a dispute mechanism specifically for tenants of 1986 Act agreements, because those are lifetime agreements that were negotiated 30 to 40 years ago in a very different world. They often contain outdated restrictions that could act as a barrier to tenants meeting modern statutory requirements and, in England, accessing future farming schemes that we are setting out.

Daniel Zeichner: This is a complicated set of issues, and I seek clarification. Some lack of clarity about post-1995 holdings has been raised with me. The question is, going back to the financial assistance schemes, who would make the decision to de-link? Who would get the lump sum? Is it the tenant in post-1995 cases?

Victoria Prentis: The hon. Gentleman and I have undertaken to have a specific conversation later about de-linking and lump sum payments. I tried to set out the position this morning. Once a decision has been made to de-link payments, they may continue to be paid to the tenant. Indeed, the person farming the land—so the tenant—would apply for any lump sum. However, the two are separate, as I set out this morning. I hope that answers his question.

The provisions in schedule 3 had broad support in the public consultations in England and Wales. They have been shaped to ensure that the interests of tenants and landlords are considered. We will continue to consult industry widely, including members of the Tenancy Reform Industry Group, as we develop future regulations. I therefore ask the hon. Member for Newport West to withdraw her amendment.

Ruth Jones: I welcome the Minister's commitment to a thriving tenancy sector—that is great news. I thank her for the explanation and for her commitment to have an ongoing dialogue with my hon. Friend the Member for Cambridge. I look forward to the outcome of those discussions. We still have reservations about this important area, but we will not press the amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 3, as amended, agreed to.

Clause 35

Marketing standards

Daniel Zeichner: I beg to move amendment 84, in clause 35, page 31, line 38, leave out "may" and insert "must".

This amendment would make it a duty for the Secretary of State to make regulations as to labelling as to method of production.

[Daniel Zeichner]

We welcome the fact that subsection (2)(g) enables the Secretary of State to make regulations on marketing standards regarding farming methods. We believe that it opens the door to looking properly at the labelling of farmed products. Under the clause, however, the Secretary of State once again has a power rather than a duty and so has no actual obligation to take the matter forward. That bothers us.

We therefore believe that the Bill should be strengthened to require the Secretary of State to make labelling regulations requiring meat, milk and dairy products, including those produced intensively, to be labelled as to farming method. That would be an important development and helpful to consumers. A great step forward for consumers would be to know what they are purchasing across the board in terms of animal products. Consumers could then make decisions based on those higher animal welfare and environmental considerations.

I am reaching back to find my favourite document, or this week's favourite document—never to hand when I want it, of course—*[Interruption.]* I am delighted—the Minister obviously loves the document too.

Victoria Prentis: I love it too.

Daniel Zeichner: Of course. Last week, we had an interesting discussion about labelling. I take Members back to that because on page 16 of the document is a theoretical discussion of the effect of labelling. The Government tell us:

"Tapping into the consumer willingness to pay begins with understanding the value-action gap"—

which I am sure is being discussed on every omnibus around the country—and that

"it is possible for someone to derive positive value from the fact that animals are being well cared for as a result of another's purchasing decision. Those not buying animal products should be included in any assessment of public value, one person's holding of this value does not detract from another's."

I find that a puzzling suggestion. I tried it out on my partner—I will not say what she said, but she was not convinced that, basically, other people buying poorly produced food somehow does not detract from the wider public good. That is a theoretical discussion the Government may want to go back to. The following page states:

"Addressing consumer understanding, and understanding how purchasing decisions are made in practice in the retail environment and online, are also key elements…It is important to note that improved transparency alone can only address information asymmetry, and does not capture the public value held by non-consumers."

I am not sure what any of that means, and I am sure that the public have little idea of what it means. I think it shows that labelling is not simple; there is a big discussion to be had. Is it enough to use labelling? The right hon. Member for Scarborough and Whitby and I had an exchange on that last week; there are sincerely held differences of opinion about it.

Back in the simpler, empirical world, we have seen the positive impact that labelling can have on eggs. Since 2004, when EU law began to require eggs and egg packs to be labelled to highlight production method, there has been a considerable move in the market towards free-range eggs and away from caged egg sales. I am told that around 52% of all UK eggs come from cage-free systems, which is welcome.

It is not the same in other sectors. Consumers are still very much in the dark about the production of meat and milk. It is hard to find meat or dairy products that have a labelled method of production. For meat, there is some labelling of free range and organic, but not much else. There is even less information about the farming methods of milk. Most milk is pooled together, making it difficult to distinguish between pasture-based and intensively produced milk. From personal experience perusing the supermarket shelves, it seems the world is becoming more complicated these days; there is a greater range, but we need to go further. I find it confusing. It is confusing for consumers and it does a disservice to farmers who are already producing to higher standards but do not have any means of distinguishing their products because of labelling ambiguities.

A lot of marketing and packaging borders on the misleading. Intensively produced meat and dairy products, where animals may have seen very little of the outside world, are packaged in pretty green packets featuring rolling hills and what looks like a welfare-friendly world. That does not help consumers make informed choices, and it does not help producers extract the higher value that they deserve from their products. Proper labelling would work in everyone's interests.

The production methods highlighted would differ for different products, but mandatory labelling could be used to indicate on the packet whether the product has been produced intensively indoors or extensively outdoors, with the full range of production methods in between, so that consumers can make a decision in the shop about what they want. That is something that the Environment, Food and Rural Affairs Committee recommended twice to the Government in 2018, and it makes a lot of sense.

At the moment, any consumer demand for less intensively produced meat and dairy is impeded by the lack of clear information at the point of sale about how the products have been produced. Informing consumers about methods of production allows them to make that choice. We could see important shifts in the market towards the production of food that is less intensive, more environmentally sustainable and based on higher animal welfare.

A good labelling system could also play an important role in further incentivising farmers to take up environmental land management schemes and deliver the public goods that we discussed last week under clause 1, particularly those who seek to promote higher animal welfare measures, by giving them the recognition they deserve for using less intensive production methods. If the consumer has no idea what farmers are doing, it stands to reason that farmers will see the benefits of making positive changes only in the direct payments they receive, rather than in any changes in consumer demand. There needs to be a way for farmers to demonstrate that they are delivering food in a way that consumers may choose to pay for.

International debate is moving quickly in this area. We heard evidence of the number of schemes that are being looked into across Europe. The Government have talked big talk about using the new opportunity post Brexit to improve our animal welfare standards and modernise our farming processes. It is important that we do not miss key opportunities to adopt mechanisms that can help support that. A relatively simple change of

wording would give this clause the strength it needs to deliver the Government's aim of achieving an impact we all support.

Mr Goodwill: I note that the amendment would substitute "must" for "may" in subsection (1), but all the other subsections contain the word "may" too. Has not the hon. Gentleman made an omission by not seeking to insert "must" in all the others? Surely having "must" in subsection (1) would be completely counteracted by all the "may"s in the rest of the clause.

3.15 pm

Daniel Zeichner: I am grateful to the right hon. Gentleman, who unfortunately was out of the room this morning during one of my earlier attempts to bait him. He never fails to please. His deft and diligent examination of the wording may well have identified a minor drafting error from our point of view, but I am sure he gets the thrust of the argument. On that basis, I very much hope he supports us on this occasion.

Victoria Prentis: Again, we broadly share the same values and principles, but—I am sorry to be tedious about the law and the drafting, not that I would ever accuse my right hon. Friend the Member for Scarborough and Whitby of being tedious—it is important that we look at what the amendment would actually do.

I welcome this opportunity to further clarify the purpose of the clause. The proposed amendment seeks to change the wording of the clause to include "must" instead of "may". We have been through this many times in the past week and I do not propose to do so again. There is no need to add a duty here, as regulations concerning the marketing standards already exist in EU law. Using powers in the withdrawal Act, we will retain the current EU marketing standards and roll them over into UK law, ensuring continuity for farmers and the farming industry.

The power in subsection (1) will provide an opportunity for the current standards to be amended when it is appropriate to do so, to ensure that they deliver domestic standards. It will also allow us to introduce new standards should that be deemed necessary. We anticipate that the power will be used to respond to developments in production. The amendment could create a situation in which new marketing standards regulations must be made, regardless of whether they were needed.

I should add that marketing standards do not apply to all food products and so would not be the appropriate vehicle for any general changes to food labelling rules, such as those about stating allergens on labels. That is already covered by existing food information and food safety laws.

I hope I have given some explanation of why the clause is drafted in the way it is. I ask the hon. Gentleman to withdraw the amendment.

Daniel Zeichner: That is so disappointing. The Government should have more ambition to do these things. That is why we are pressing and encouraging them. This is such an opportunity; to us, it seems like a win-win.

I fully accept that there may be some points of drafting or direction—I do not blame the people who drafted the amendment—on which we could improve, but it would be wonderful if the Government accepted the thrust of the argument. This is a bit like hustings events during a general election campaign: by the time we come to the end, we all know one another's lines. What the Minister said was not a surprise to me, and it will be no surprise to her to hear me say the same thing again.

This is partly a question of trust, I am afraid. It is also a question of wanting to move quickly to take up these opportunities. I think there is real desire out there among consumers to make informed choices, despite the slight difference of opinion expressed by the right hon. Member for Scarborough and Whitby last week about the role of labelling in making the changes we want. If we are going to go down the labelling route as the driver for change, for goodness' sake push on with it. Do it soon. The Government should tie themselves to it. If they accepted our amendment, they would be bound to do it and there would be no backsliding. My guess is that we will be discussing this in many months' time and we will find it has not moved as quickly as many of us would have hoped. On that basis, I am not prepared to withdraw the amendment; we will press it to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 5, Noes 10.

Division No. 24]

AYES

Debbonaire, Thangam	Whittome, Nadia
Jones, Ruth	
Oppong-Asare, Abena	Zeichner, Daniel

NOES

Courts, Robert	Jupp, Simon
Crosbie, Virginia	Kearns, Alicia
Dines, Miss Sarah	Kruger, Danny
Goodwill, rh Mr Robert	Morris, James
Jones, Fay	Prentis, Victoria

Question accordingly negatived.

Clause 35 ordered to stand part of the Bill.

Schedule 4 agreed to.

Clause 36

ORGANIC PRODUCTS

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

Victoria Prentis: The clause will allow the Government to modernise organic regulations. I appreciate the opportunity to say a few brief words to clear up previous misunderstandings.

The Committee should note that the EU will bring in new organics regulation 848/2018 on 1 January 2021. Since that is after the end of the transition period, the current organics regulation, 834/2007, will form part of retained EU law. The clause allows us to amend organics regulations so that they work for our producers, exporters and consumers. The organics sector is at the forefront of sustainable agriculture. The powers in the clause will ensure that the sector can continue to thrive, while enhancing our precious environment.

Question put and agreed to.

Clause 36 accordingly ordered to stand part of the Bill.

Clause 37

Organic products: supplementary

Amendments made: 52, in clause 37, page 35, line 15, leave out

"the National Assembly for Wales"

and insert "Senedd Cymru".

See the explanatory statement for Amendment 51.

Amendment 53, in clause 37, page 35, line 16, leave out "that Assembly" and insert "the Senedd".—*(Victoria Prentis.)*

See the explanatory statement for Amendment 51.

Clause 37, as amended, ordered to stand part of the Bill.

Clauses 38 and 39 ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned.—*(James Morris.)*

3.24 pm

Adjourned till Thursday 5 March at half-past Eleven o'clock.

Written evidence reported to the House

AB53 The Food Foundation

AB54 Essex Local Access Forum

AB55 Northern Ireland Environment Link

AB56 Feeding Britain

AB57 Campaign to Protect Rural England (CPRE)

AB58 The British Horse Society

AB59 Independent Food Aid Network

AB60 Soil surveyors - Former members of the Soil Survey of England and Wales and Soil Survey and Land Research Centre

AB61 National Farmers' Union (NFU) Cymru

AB62 Royal Institution of Chartered Surveyors (RICS)