

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT AGRICULTURAL PRODUCTS, FOOD AND
DRINK (AMENDMENT ETC.) (EU EXIT)
REGULATIONS 2020

DRAFT FOOD (AMENDMENT) (EU EXIT)
REGULATIONS 2020

Wednesday 25 November 2020

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The Committee consisted of the following Members:

Chair: PHILIP DAVIES

- | | |
|--|---|
| † Aiken, Nickie (<i>Cities of London and Westminster</i>)
(Con) | † Prentis, Victoria (<i>Parliamentary Under-Secretary of
State for Environment, Food and Rural Affairs</i>) |
| † Buchan, Felicity (<i>Kensington</i>) (Con) | † Richards, Nicola (<i>West Bromwich East</i>) (Con) |
| † Everitt, Ben (<i>Milton Keynes North</i>) (Con) | † Russell, Dean (<i>Watford</i>) (Con) |
| † Fletcher, Colleen (<i>Coventry North East</i>) (Lab) | Smith, Nick (<i>Blaenau Gwent</i>) (Lab) |
| † Griffith, Andrew (<i>Arundel and South Downs</i>) (Con) | Thompson, Owen (<i>Midlothian</i>) (SNP) |
| Gwynne, Andrew (<i>Denton and Reddish</i>) (Lab) | † Webb, Suzanne (<i>Stourbridge</i>) (Con) |
| Harman, Ms Harriet (<i>Camberwell and Peckham</i>)
(Lab) | † Zeichner, Daniel (<i>Cambridge</i>) (Lab) |
| Hendrick, Sir Mark (<i>Preston</i>) (Lab/Co-op) | Seb Newman, <i>Committee Clerk</i> |
| † Lewer, Andrew (<i>Northampton South</i>) (Con) | |
| † Morris, James (<i>Lord Commissioner of Her
Majesty's Treasury</i>) | † attended the Committee |

Fifth Delegated Legislation Committee

Wednesday 25 November 2020

[PHILIP DAVIES *in the Chair*]

Draft Agricultural Products, Food and Drink (Amendment etc.) (EU Exit) Regulations 2020

9.25 am

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Victoria Prentis): I beg to move,

That the Committee has considered the draft Agricultural Products, Food and Drink (Amendment etc.) (EU Exit) Regulations 2020.

The Chair: With this it will be convenient to consider the draft Food (Amendment) (EU Exit) Regulations 2020.

Victoria Prentis: It is an enormous pleasure to serve under your chairmanship for the first time, Mr Davies. The draft Agricultural Products, Food and Drink (Amendment etc.) (EU Exit) Regulations 2020 contain necessary amendments to EU agrifood, spirit drinks, wine and aromatised wine regulations to enable them to function in domestic law. The changes primarily concern geographical indication or GI schemes, but they extend to wine and spirit drink sector standards.

I first want to address the impact of the Northern Ireland protocol. For the duration of the protocol, the EU GI framework will apply in Northern Ireland. As such, most of this instrument has the territorial extent of Great Britain. However, these schemes will be administered and regulated by the UK Government, so they will generally be referred to as UK GI schemes.

GIs are a form of intellectual property protection for the names of food, drink and agricultural products with qualities attributable to the place they are produced or the traditional methods by which they are made, such as Scotch whisky, Welsh lamb and Melton Mowbray pork pies—[HON. MEMBERS: “Hooray!”] It is a little early for a Melton Mowbray pork pie. Most of the amendments made by this instrument are to the retained EU regulations that govern GI schemes. They collectively convert the four EU GI schemes into a legal framework for the new schemes in Great Britain.

The framework will allow applications for GI protection to be made to the Secretary of State by both UK and international applicants. It will allow applications to be scrutinised and consulted on, and for the Secretary of State to take decisions on awarding new GIs. In doing so, we condense what was a two-stage application process to the Commission into a single, streamlined domestic process, which ought to be easier and quicker.

Once awarded GI status, a product name is then added to the relevant public GI register established by this instrument, meaning that the GI protection will formally take effect in Great Britain. From 1 January, all existing UK GIs and the EU GIs, which are protected through the withdrawal agreement, will be on our registers. These will be joined by international GI products protected through trade agreements.

This instrument removes the requirement for EU GI logos to be used by British producers and establishes the new domestic logos. I know, Chair, that we are not allowed to wave things around, but—

Andrew Griffith (Arundel and South Downs) (Con): Will my hon. Friend give way on that point?

Victoria Prentis: I would be delighted.

Andrew Griffith: I speak not only as the representative of Arundel and South Downs, but as the chairman of the all-party parliamentary group for wine of Great Britain. GIs are incredibly important both to allow consumers to make smart choices about country of origin and food or wine supply chains and to support a burgeoning and rapidly growing British industry that stretches across most parts of the kingdom. It already employs 11,000 people, with the aspiration, once we find our new way in the world, of employing many more people in a successful, green, sustainable British industry.

Victoria Prentis: I thank my hon. Friend. I understand his passion for GIs, as some truly delicious wine is produced in his constituency. The APPGs for wine of Great Britain and on geographically protected foods are doing really good work at the moment. I very much look forward to promoting our new GI schemes in the early part of next year.

To avoid burdening producers, we are introducing a three-year period before logo use becomes mandatory on GI products. The first instrument also includes a small number of non-GI amendments to EU wine and spirits sector rules. Those include the definition, composition and labelling of spirit drinks, and the use of wine labelling terms, experimental winemaking practices, accompanying documents and the registers maintained by wine operators.

Finally, the first instrument amends the domestic legislation that enables enforcement of the regulations. It makes separate amendments for GB and NI, to take account of the different regulations that will apply in each territory from 2021.

These rules collectively ensure that we have not only a fully functional GI framework, but one that enables and encourages our international reputation for quality food and drink to grow.

I turn now to the second SI, which concerns natural mineral waters and food information for consumers. The main purpose of this instrument, like so many SIs that we are dealing with at the moment, is to place food information for consumers and natural mineral waters rules on a legal footing that accounts for the Northern Ireland protocol, which obviously the legislation prepared for no deal at the end of last year could not do, as the Northern Ireland protocol at that point did not exist. This instrument also makes some minor technical amendments to retained direct EU law and domestic regulations, to ensure the operability of the legislation at the end of the transition period. It does not bring about a substantial change in policy. The retained EU regulations assure a high level of consumer protection in relation to food information so that consumers are not misled about their food, can make informed food choices and use food safely.

Both instruments have received the devolved Administrations' consent and, for the reasons that I have set out, I commend them to the Committee.

9.32 am

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to be back in a Committee under your chairmanship, Mr Davies. I thank the Minister for her introduction. She explained very well the importance of geographical indicators, as did the hon. Member for Arundel and South Downs in a powerful intervention. I think we are all broadly supportive of getting these things right. Geographically protected goods represent about one quarter of the UK's food and drink exports each year, we are told by the Department for Environment, Food and Rural Affairs, and are worth almost £6 billion.

This is a complicated set of issues. I am not sure that I fully comprehend all the complexities in the documents that we have been given, but ensuring TRIPs—trade-related aspects of intellectual property rights—compliance and that we are conforming to World Trade Organisation rules is important, so we are broadly supportive of what the Government are doing. However, we do have a few questions, as you might expect, Mr Davies.

Some of the questions are really about the broader issue of what happens in the next few weeks if we do not secure a deal with the European Union. We have heard assurances from the Government that our geographical indicators will continue to be recognised in the EU market after the end of the transition period, but clearly there is considerable concern across the sectors that, in the absence of any deal, there is no guarantee that that will continue to be the case. If the talks do not lead to fruition and the UK does not offer mutual recognition for EU GIs in this country, what will that mean for those producers and what message are the Government giving to our exporters, who depend so much on these recognitions?

The Minister touched on the new arrangements for administering the schemes in the UK, which she described as being likely to be streamlined, more efficient and quicker. I am sure that we all hope that that will be the case, but what assurances can the Minister give that the internal digital infrastructure necessary to administer all this will be in place by 1 January? Perhaps she can update us on what progress has been made so far. As ever, I do not necessarily expect her to have all the answers at her fingertips—she is very good at writing afterwards.

The Minister claims that the new arrangements for administering the schemes will be more efficient, quicker and streamlined. Perhaps she could say a little more about the evidence to back that up, because we are not convinced that that is always what happens. We have not seen an impact assessment for this SI, but it seems to us that engaging with the changing systems will have some costs for specialist food companies and those with protected designations. What is the Government's assessment of those extra costs, and what costs will be involved in applying for a new geographical indicator status and appealing to the first-tier tribunal?

We also imagine that there will be extra costs in setting up systems of promotion abroad for our specialist protected products. Again, any indications as to where the Government have got to on that would be helpful.

On the second SI, which is largely about natural mineral waters, it was clear from the consultation, which we welcomed, that the majority of respondents favoured the Government's course of action, but some took a different view. Can the Minister explain why we settled on six months? Some looked for a much longer time through a transition period. That is a similar point to the one I made earlier about a no-deal scenario: it could leave our producers of natural mineral water at a distinct disadvantage if they cannot export to the EU. Will the Minister say a little about the provisions in that case?

On the details relating to Northern Ireland, there is a complex and difficult set of issues. Although we welcome the Government's recognition of the pressure on the food industry in relation to labelling changes—I think they have advised that the necessary labelling changes for food sold in Great Britain will now apply to food sold from 1 October 2022 to give producers more time to get their affairs in order—there is still much to get in place by 1 January next year. After all, it is now only four or five weeks away.

Much still needs to be done in terms of pre-packaged food. If it is sold in Northern Ireland, it must include a Northern Ireland or EU business operator address. Food manufacturers have been told that from 1 January they need to label food from or sold in Northern Ireland as such where EU law requires it. So there is a range of complexities, and I would welcome any indication from the Minister on how close we are to resolving those points.

I have one final point, which I will probably repeat in future SI Committees. In my research for the Environment Bill Committee yesterday, I came across an interesting piece by Professor Andrew Jordan and Dr Brendan Moore, who have analysed many of the SIs that we have been talking about. It was a fascinating piece. We are frequently told that the SIs involve technical transpositions and that nothing is really changing. Their piece pointed out that in much of EU law there are review and revision clauses, and they have helpfully gone through and noted which are the SIs where we too have introduced review and revision clauses, and which are the ones where we have not, and overwhelmingly we have not. I will not bore the Committee with the list, but some of them are ones that we have ourselves discussed. So my question on all the SIs is: were the review and revision clauses included in the legislation that was brought across? If not, why not?

9.38 am

Victoria Prentis: That sounds like an extremely interesting article. I look forward to finding it later. I am sure the hon. Gentleman and I can have a discussion while we wait for our SI debates this afternoon. I will try to answer as many of his questions as I can.

The first SI that we are discussing today is very long. It replaces 15 EU regulations and four different GI schemes. I accept that the legislation is complicated. In the first SI, there is certainly policy change. It very much lays the framework for setting up our new and, in my view, very exciting GI system.

To talk generally about the new policy, last week we had a webinar with about 130 producers, all of whom are raring to get going in the GI space. In future, there

[Victoria Prentis]

will be a one-stage application process. We are designing it with producers in a way that we hope will be as helpful as possible.

On the broader issues that have been raised, we very much hope that we will get a deal with the EU in the next week or two. As I said earlier, we will continue to recognise EU GIs. As I set out, we have a 21-month period of adjustment on labelling, and I will go through some of the labelling changes. The same basic rules will apply for logo use as under the EU schemes. Logo use will be mandatory under the agrifood schemes but optional under drinks schemes relating to wines and spirits—that is the same as it was under the EU schemes. GB producers of existing agrifood GIs will have a three-year period from 1 January until the use of the new logos becomes mandatory. New GB applicants for agrifood GI protection will need to start using the logos straightaway once their protection starts. It will be optional for NI producers that are protected under the UK schemes to use the UK logo, but they will of course continue to use the EU logos. We will endeavour to make the process as streamlined as possible for new NI producers that apply under both schemes.

Daniel Zeichner: The Minister has explained that very clearly. What she has not touched on is costs to producers. Can she say anything about that?

Victoria Prentis: We very much hope that the costs will be less than for the previous application process, which is partly why we are engaging so heavily with producers at the moment to find a system that suits everybody. It is not an easy issue, though. To have a GI is a big deal for a producer, and it should be. The application process will of course be relatively onerous, but we will try to ensure that it is as low cost for producers as possible.

Daniel Zeichner: This is an additional new cost, however one looks at it.

Victoria Prentis: No, the existing GIs will just be brought over into our system, so there are no new costs for producers there. If producers wish to sell in the GB market as well as in the EU market, as I said earlier, we are working hard to ensure that the two processes are streamlined, to minimise the cost to producers as much as we can. This is in a world where I hope GIs will be a much bigger deal for the UK. I am looking forward to boosting them and to working with producers as we seek to export much more food, and much more really high-quality food, than we do at the moment.

I think I have dealt with most of the hon. Gentleman's points. Public consultations were held on natural mineral waters, food labelling policy and impact assessments in 2018, when we thought we might have a no-deal Brexit. Meetings were held with industry, and we had a great deal of feedback from stakeholders. As I said, the amendments made by the SI are mainly technical changes in order to make the regulations operable, so we did not feel that any additional consultation was needed. With that in mind, I recommend that we approve the two instruments.

Question put and agreed to.

DRAFT FOOD (AMENDMENT) (EU EXIT) REGULATIONS 2020

Resolved,

That the Committee has considered the draft Food (Amendment) (EU Exit) Regulations 2020—(*Victoria Prentis.*)

9.43 am

Committee rose.