

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

First Delegated Legislation Committee

COMMON ORGANISATION OF THE MARKETS  
IN AGRICULTURAL PRODUCTS (WINE)  
(AMENDMENT, ETC.) REGULATIONS 2021

*Monday 19 April 2021*

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

*Chair:* MR PHILIP HOLLOBONE

Byrne, Ian (*Liverpool, West Derby*) (Lab)

† Caulfield, Maria (*Lewes*) (Con)

Docherty, Leo (*Aldershot*) (Con)

† Furniss, Gill (*Sheffield, Brightside and Hillsborough*) (Lab)

Harris, Rebecca (*Lord Commissioner of Her Majesty's Treasury*)

Jones, Fay (*Brecon and Radnorshire*) (Con)

Mann, Scott (*North Cornwall*) (Con)

† Morris, James (*Lord Commissioner of Her Majesty's Treasury*)

† Prentis, Victoria (*Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs*)

Pursglove, Tom (*Corby*) (Con)

Rutley, David (*Lord Commissioner of Her Majesty's Treasury*)

Sharma, Mr Virendra (*Ealing, Southall*) (Lab)

Sheerman, Mr Barry (*Huddersfield*) (Lab/Co-op)

Thomson, Richard (*Gordon*) (SNP)

Throup, Maggie (*Lord Commissioner of Her Majesty's Treasury*)

Trickett, Jon (*Hemsworth*) (Lab)

† Zeichner, Daniel (*Cambridge*) (Lab)

Liam Laurence Smyth, *Committee Clerk*

† **attended the Committee**

# First Delegated Legislation Committee

Monday 19 April 2021

[MR PHILIP HOLLOBONE *in the Chair*]

## Common Organisation of the Markets in Agricultural Products (Wine) (Amendment, etc.) Regulations 2021

4.30 pm

**The Chair:** Before we begin, I would like to remind Members to observe social distancing and only sit in places that are clearly marked. I would also like to remind Members that Mr Speaker has stated that masks should be worn in Committee. *Hansard* would be most grateful if Members could send their speaking notes by email to [hansardnotes@parliament.uk](mailto:hansardnotes@parliament.uk).

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

That the Committee has considered the Common Organisation of the Markets in Agricultural Products (Wine) (Amendment, etc.) Regulations 2021 (S.I. 2021, No. 279).

It is a pleasure to serve under your chairmanship, Mr Hollobone.

The instrument concerns protection of geographical indications in Great Britain. Geographical indications, or 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. Examples include Scotch whisky, Welsh lamb and Melton Mowbray pork pies. However, the instrument concerns only wine.

The instrument contains a necessary amendment to the retained EU regulation that provides the legal basis for the wine GI scheme. I am sorry to be taking up the Committee's time with this, and can only apologise that the original error was made in the large number of SIs that we had to prepare at the end of the transition period. The amendment corrects an error in the original legislation that was identified by a very sharp-eyed civil servant in the Department for Environment, Food and Rural Affairs—and we are very grateful to her. We have used the made affirmative procedure as the resolution provided by this instrument was needed quickly. This ensures that the intellectual property protection of wine GIs and traditional terms in Great Britain continues and the UK maintains compliance with its international agreements. The SI does not make any wider policy changes.

All we are doing is correcting article 107 of retained EU regulation No.1308/2013, concerning protected wine names and traditional terms. Three separate exit instruments provided for amendments in relation to this article, but in the process an inadvertent revocation was made of the text that was intended to be in place. The instrument puts the intended provision back in place. That ensures that all established wine GIs and traditional terms are

protected and legitimately appear on the public register of wines and traditional terms that we protect. That in turn ensures that the UK Government fully comply with their GI commitments under the EU withdrawal agreement, and our World Trade Organisation obligations.

As well as making a direct amendment to a retained EU regulation, the instrument includes a corresponding revocation of domestic secondary legislation. Since the instrument entered into force on 10 March 2021, the relevant entries in our public GI registers have been updated to show the date of registration as 10 March, rather than 31 December 2020. This change has been made to just under 2,000 records; seven of these are UK names, the rest are predominantly from EU countries.

We have engaged with the Food Standards Agency and the network of trading standards authorities, which have confirmed that they are not aware of any wine GI infringements during this period related to the mistake. We have provided this reassurance to the European Commission. We have also engaged with the two main wine trade bodies, the Wine and Spirit Trade Association and WINEGB, and with the Scottish and Welsh Governments, who were appreciative of our speedy efforts to rectify the error and our engagement with them. They also thankfully reported no knowledge of any breaches to affected product names.

I want to reassure the Committee that all product names under the three other GI schemes have not been affected, including spirit drinks and agri-foods.

I commend the SI to the Committee.

**The Chair:** I am pleased to say that we have until 6 o'clock to debate the regulations.

4.34 pm

**Daniel Zeichner (Cambridge) (Lab):** It is a pleasure to serve under your chairmanship, Mr Hollobone.

I hope that I will not need to take us to 6 o'clock, because at first sight the Committee is considering a simple change correcting a previous error, which the Minister has elegantly explained and for which no apology is required. An honest mistake was made, but it was spotted and corrected. I have to say that I am rather pleased that I was not involved with the previous SI. Looking at paragraph 7.1 of the explanatory notes, it is clear that there is no way that many of us would have noticed the issue. As I have observed before, there is a huge level of complexity and detail in these regulations that, frankly, most of us do not have the capacity to work through. We are very reliant on civil servants and grateful to them for doing that.

I should also like to note the importance of geographical indications in general, and for our domestic wine industry, which we all wish to see go from strength to strength. I can assure you, Mr Hollobone, that the Opposition will not oppose the instrument, but—of course there is always a “but”—there is an issue on which I will be slightly less gracious, on which we have touched before when SIs relating to wine are discussed, and which I suspect that the Minister may have anticipated. The VI-1 may sound like a horrible warhead, but it is actually a horrible form, and it is exercising many people. It was the main issue raised when the SI went before the Lords last week. I certainly found Lord Moynihan's contribution very telling and powerful.

I shall briefly remind the Committee of the issue, which is about wine import certification and the blue tape with which the Government are currently strangling parts of the British wine industry. The Government have chosen to roll over EU rules on wine imports that require a detailed import certificate in addition to standard customs paperwork, the VI-1 form, for all wine imports from third countries. These detail how strong a wine is, what grape it is made from and how many containers are being sent. Each different type of wine in a consignment must list all these details and the form requires a stamp from customs officials, presenting a significant logistical challenge and cost burden for wine importers in the UK.

While a slightly simpler version of the VI-1 form has been negotiated in the UK-EU trade and co-operation agreement for wine imports from the EU, this still requires a customs stamp, which will delay transit through ports and place a significant burden on our importers. The Government have delayed the introduction of these new forms twice, but as it stands they are still going to be introduced at the end of the year. The British wine industry is quite frankly at a loss to understand why the Government are so set on introducing this import documentation at all.

The EU's rationale for having an import document that is effectively a technical barrier to trade is, in reality, to protect its wine industry. For the UK, which is a net importer of wine, it makes very little sense for us to maintain rules designed to disadvantage our imports; we import over 99% of the wine we consume in this country, and around half those imports are from the EU.

As I said, we want our own wonderful wine industry to flourish and grow—there are great English and Welsh wines produced in this country, which is why we support the correction to ensure that geographical indications work properly. In terms of volume, however, we remain a significant importer. The Minister will know that we also have a vibrant export industry based on this trade, with the UK acting as a major wine hub for the rest of the world and wine being our sixth biggest food and drink export in 2019. So this is important.

Yet the Government seem happy to wrap these vibrant industries in blue tape. These forms are a measure that will be significantly damaging to our UK wine importers, who already have to deal with a raft of new barriers to trade as a result of leaving the EU. It will disproportionately damage SMEs, particularly independent wine merchants like Cambridge Wine Merchants in my constituency, as well as pubs, bars and restaurants, for which a wide selection of niche and interesting wines is a unique selling point. It will be damaging to UK consumers, who could see cost increases and decreased product choice, and to the Government themselves, who could see a loss of revenue to the Exchequer and are committing themselves to carrying out yet more form stamping at the border due to the customs stamp requirement.

Daniel Lambert, who will probably be well known to the Minister and who imports up to 2 million bottles of wine a year for 300 retailers including supermarkets, has been vocal in the media about the situation he now finds himself in due to the Government's decisions. He has likened the impact on the sector to a

“multiple pile-up in the fog”.

He is not happy and neither are others. Yet again we see the Government's incompetent Brexit deal wrapping ribbons of red tape around the UK's wine sector for no good reason whatever.

As the Minister said, the Wine and Spirit Trade Association has been clear that, as far as it can tell, the additional bureaucracy is unnecessary. There is no customs requirement for it and no safety issue involved. Wine is already heavily regulated by rules such as the geographical indications to ensure quality control and no other alcoholic drink requires a similar form, so will the Minister clarify the Government's practical reasons for introducing the forms? If there is no real consumer protection purpose for them, the Government must have another reason for their introduction.

I understand that it has been suggested that maintaining wine import certification rules will level the playing field for wine from the rest of the world. I am sure that the Minister recognises that there are two different scenarios here. I am reliably informed by the Wine and Spirit Trade Association that the supply chain for wine imported from third countries thousands of miles away, often moved in bulk, is very different from the supply chain for wine imported from the EU, which is often imported by SMEs. Importing 25,000 litres of Australian wine in a flexitank with one VI-1 form is much less burdensome and costly than importing 20 wines in bottles from the EU that require 20 additional pieces of documentation.

Rather than imposing a requirement on all imports, the Government could just as easily create a level playing field by not introducing a requirement for import certificates for EU wines and scrapping the current requirements for non-EU wine imports. The only explanation for the Government's action—Lord Moynihan made the point powerfully—is that it is a negotiating ploy in ongoing trade negotiations with third countries. I am sure that the Minister will deny it, but in my view, the Government are using the British wine industry and particularly British small businesses as pawns in a bigger trade game and happily leaving them endure extra bureaucracy just for extra leverage. Small wonder that Ministers are so reluctant to respond to the sector's concerns. I am told that repeated requests from the Wine and Spirit Trade Association for a meeting to discuss the issue have been ignored.

At a time when the Government are already having to delay the introduction of mandatory customs procedures, it makes no sense to introduce additional controls if they are non-essential. As a minimum, it would be far more sensible for the Government to delay the introduction of the forms until an electronic version can be established, but the British wine industry is clear that it would be far better to scrap the unnecessary forms. It is entirely within the Government's gift to do that.

The Government have a perfect opportunity to put their money where their money is, scrap the red tape and support British businesses. Will the Minister explain why on earth they are choosing not to do so when they have been given the chance—a Brexit benefit, no less?

Will the Minister commit today to meet me and the Wine and Spirit Trade Association at the earliest opportunity to discuss the issue further? If not, I fear there will be an empty chair, perhaps occupied by a bottle of wine wrapped in red tape, or even red, white

[Daniel Zeichner]

and blue tape. We do not oppose the statutory instrument but we are cross about the Government's continuing failure to engage.

4.42 pm

**Victoria Prentis:** Clearly, it is essential that we have the right legislation in place for the effective operation of the UK's GI scheme. That is of course what we are here to talk about this afternoon. However, I am prepared to deal briefly with the hon. Gentleman's points about VI-1s, though they are not directly in scope, so I will be brief.

VI-1s already exist for other nations—Australia, the US and Chile. Those wines are very competitive in the UK market and the existence of a VI-1 form does not prevent them from being enjoyed here. The hon. Gentleman is right that leaving the EU gives us the opportunity to consider whether we should review the policy to suit our needs. As he said, it is possibly a Brexit benefit and it certainly gives us the opportunity to ensure that the scheme that we have in the UK is right for us, our importers and our exporters.

As the hon. Gentleman said, we are an important wine-trading nation, second only to the United States in the value of our imports. We also export, and re-export mainly, large quantities of wine to the EU—about £400 million-worth a year. Leaving the EU gives us scope to review

our policies and we continue to monitor all areas of retained EU law, including those concerning wine certification, to ensure that they are fit for purpose.

The Wine and Spirit Trade Association was pleased with our plans to issue an easement to the need for VI-1 certificates to accompany imports of wines from the EU. It also welcomes the introduction of a simplified VI-1 certificate—the arrangements for the EU and UK wine trade that were set out in the trade and co-operation agreement at the end of last year.

The Department for Environment, Food and Rural Affairs treats the geographical indications regime very seriously. The UK has a proud and growing food reputation and GIs play an important role as exemplars of our quality producers. We are committed to celebrating the success of those products and driving further market access to ensure that they are enjoyed around the world, as symbolised by our new UK scheme logos.

It is right that we put the correct legislation in place and that we took steps to correct the error as soon as possible. I am always delighted to meet the hon. Gentleman to discuss other aspects of our wine trade—both import and export—whenever we can find a convenient date.

I commend the regulations to the Committee.

*Question put and agreed to.*

4.46 pm

*Committee rose.*



