

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Fifteenth Delegated Legislation Committee

DRAFT COMMON ORGANISATION OF THE
MARKETS IN AGRICULTURAL PRODUCTS
FRAMEWORK (MISCELLANEOUS AMENDMENTS,
ETC.) (EU EXIT) REGULATIONS 2019

DRAFT COMMON ORGANISATION OF THE
MARKETS IN AGRICULTURAL PRODUCTS AND
COMMON AGRICULTURAL POLICY
(MISCELLANEOUS AMENDMENTS) (EU EXIT)
REGULATIONS 2019

DRAFT AGRICULTURE (LEGISLATIVE FUCTIONS)
(EU EXIT) (NO. 2) REGULATIONS 2019

Tuesday 26 March 2019

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Saturday 30 March 2019

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The Committee consisted of the following Members:

Chair: MR NIGEL EVANS

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|---|---|
| † Afriyie, Adam (<i>Windsor</i>) (Con) | † McMorris, Anna (<i>Cardiff North</i>) (Lab) |
| † Benyon, Richard (<i>Newbury</i>) (Con) | † Pollard, Luke (<i>Plymouth, Sutton and Devonport</i>) (Lab/Co-op) |
| † Debbonaire, Thangam (<i>Bristol West</i>) (Lab) | † Seely, Mr Bob (<i>Isle of Wight</i>) (Con) |
| † Drew, Dr David (<i>Stroud</i>) (Lab/Co-op) | † Stewart, Iain (<i>Milton Keynes South</i>) (Con) |
| † Eustice, George (<i>Camborne and Redruth</i>) (Con) | † Villiers, Theresa (<i>Chipping Barnet</i>) (Con) |
| † Ford, Vicky (<i>Chelmsford</i>) (Con) | † West, Catherine (<i>Hornsey and Wood Green</i>) (Lab) |
| † Goodwill, Mr Robert (<i>Minister for Agriculture, Fisheries and Food</i>) | † Whittingdale, Mr John (<i>Maldon</i>) (Con) |
| † Jones, Darren (<i>Bristol North West</i>) (Lab) | Dominic Stockbridge, <i>Committee Clerk</i> |
| † Linden, David (<i>Glasgow East</i>) (SNP) | † attended the Committee |
| † McGinn, Conor (<i>St Helens North</i>) (Lab) | |

Fifteenth Delegated Legislation Committee

Tuesday 26 March 2019

[MR NIGEL EVANS *in the Chair*]

Draft Common Organisation of the Markets in Agricultural Products Framework (Miscellaneous Amendments, etc.) (EU Exit) Regulations 2019

4 pm

The Minister for Agriculture, Fisheries and Food (Mr Robert Goodwill): I beg to move,

That the Committee has considered the draft Common Organisation of the Markets in Agricultural Products Framework (Miscellaneous Amendments, etc.) (EU Exit) Regulations 2019.

The Chair: With this it will be convenient to consider the draft Common Organisation of the Markets in Agricultural Products and Common Agricultural Policy (Miscellaneous Amendments) (EU Exit) Regulations 2019 and the draft Agriculture (Legislative Functions) (EU Exit) (No. 2) Regulations 2019.

Mr Goodwill: As a farmer myself, and given the family business's participation in an agri-environmental scheme, I should mention my entry in the Register of Members' Financial Interests.

The three statutory instruments amend retained EU law setting out the overarching framework for the common organisation of markets in agricultural products, and retained EU and domestic legislation on related wider common agricultural policy provisions. They also amend retained EU law on organic food and feed, and on imports and exports of processed agricultural goods. The amendments will maintain the effectiveness and continuity of retained EU law and domestic legislation that would otherwise be deficient following our exit from the European Union, and will ensure minimal disruption for businesses and other stakeholders.

The legislation is technical in nature and limited in scope. We are upholding standards and maintaining processes, and the legislation makes appropriate corrections to ensure that those standards and processes continue to operate in a UK context. Where changes are required, we have endeavoured to ensure that they will have a limited impact on businesses and other stakeholders. All three instruments apply across the whole UK, and we have consulted extensively with the devolved Administrations to ensure that the legislation on the common organisation of the agricultural markets continues to work, while respecting the devolution agreements.

Two of the instruments, the draft Common Organisation of the Markets in Agricultural Products Framework (Miscellaneous Amendments, etc.) (EU Exit) Regulations 2019 and the draft Agriculture (Legislative Functions) (EU Exit) (No. 2) Regulations 2019, operate in areas of primarily devolved competence, with the appropriate powers transferring to the devolved Ministers. In many of those cases, the Secretary of State is able to act on behalf of the devolved Administrations, should they give their consent. However, in some circumstances that

does not apply to Wales. Due to certain provisions specific to the Welsh devolution settlement, in certain instances allowing the Secretary of State to legislate or otherwise act on behalf of Wales would have implications for devolved competence for Wales. The Welsh Government have carefully considered whether the Secretary of State should be able to act on their behalf in respect of each of the functions concerned, and the drafting reflects the outcome of that consideration.

The other instrument, the draft Common Organisation of the Markets in Agricultural Products and Common Agricultural Policy (Miscellaneous Amendments) (EU Exit) Regulations 2019—[*Laughter*—]—amends only provisions relating to reserved matters.

Dr David Drew (Stroud) (Lab/Co-op): Say it again!

Mr Goodwill: There will be an opportunity, I am sure.

All three instruments concern the common organisation of the agriculture markets, more commonly referred to as the CMO. The CMO sits in pillar one of the common agricultural policy, alongside direct payments, and it was set up as a means of meeting the objectives of the CAP—in particular, to stabilise markets, ensure a fair standard of living for agricultural producers, and increase agricultural productivity. Over time, it has broadened out to provide a toolkit that enables the EU to manage market volatility, incentivise collaboration between and competitiveness of agricultural producers, and facilitate trade.

The first statutory instrument, the draft Common Organisation of the Markets in Agricultural Products Framework (Miscellaneous Amendments, etc.) (EU Exit) Regulations 2019, amends the overarching framework for the CMO rather than the details of each policy area, and is intended to lay the groundwork for the more detailed amendments in other CMO instruments. The policy areas in the instrument can be described as public intervention and aid for private storage, aid schemes, marketing standards, producer organisations, import and export rules and crisis measures. The instrument also deals with the basic legislation for the scheme for the promotion of agricultural products, EU regulation No. 1144/2014.

The second statutory instrument in the grouping, the draft Common Organisation of the Markets in Agricultural Products and Common Agricultural Policy (Miscellaneous Amendments) (EU Exit) Regulations 2019, ensures the operability of certain provisions relating to the reserved policy areas of regulation of anti-competitive practices; international trade; imports and exports; and intellectual property law.

The second set of regulations amend provisions in legislation on the common organisation of the agricultural markets and the wider common agricultural policy, as well as in EU legislation relating to imports and exports of processed agricultural goods that largely mirrors the relevant provisions on non-processed agricultural goods within the CMO. The regulations also confer legislative functions held by the Commission on to the Secretary of State in reserved policy areas, to enable the smooth functioning of related schemes for producers, traders, importers and exporters of agricultural goods.

In particular, the second statutory instrument contains amendments to: recognise producer organisations that provide exemptions from certain aspects of competition

law across all agricultural sectors; make operable requirements for written contracts in the dairy sector; provide for an appeals route in the domestic courts relating to protection of a name as a designation of origin or geographical indication for wine; confer powers on the Secretary of State to make regulations about checks relating to protected designations of origin and geographical indications for wine; facilitate and regulate the import of beef and veal, wine, hops, fruits and vegetables, and ovalbumin and lactalbumin; facilitate and regulate the import and export of fruit and vegetables; and make operable rules relating to the granting of export refunds for processed agricultural goods.

The third statutory instrument in the group, the draft Agriculture (Legislative Functions) (EU Exit) (No. 2) Regulations 2019, amends EU legislation relating to CMO schemes; CAP financing, management and monitoring; and organic food and feed. Under the amendments, functions currently exercised by the European Commission will instead be exercisable by public authorities in the United Kingdom. That will enable those legislative functions to continue to be used at a national level after the UK leaves the EU.

The instrument relates to EU regulations covering the common organisation of agricultural products and related CAP provisions, as well as organic food and feed. The EU regulations confer various functions on the Commission, so that it can develop the technical details required to operate a specific regime. Examples of those functions include: specifying forms to be used; setting financial limits or prices; defining scheme eligibility criteria; establishing key dates; and defining programmes or scheme periods. After EU exit, without amendment, the legislative functions in these retained EU regulations would be inoperable. That would prevent the UK Government and, where applicable, the devolved Administrations from being able to make any necessary changes to these policy regimes to keep them up to date. This instrument uses powers in the European Union (Withdrawal) Act 2018 to correct that deficiency, so that the functions can be exercised by UK public authorities.

I will try to pre-empt some of the questions that I suspect I might get from the Opposition. I am sure that they will want to ask whether the instruments will also be needed if we agree a deal with the EU. Yes; they make operability amendments that will be necessary for the retained EU law to function, and to maintain the integrity of our statute book, either at the end of an implementation period, or sooner if we leave the EU without a deal.

I know I will be asked whether a formal consultation has been carried out. I make it clear to the Committee that we have not carried out a formal consultation, as the changes are technical in nature and do not describe any change in policy. There will be no concrete changes. We continue to engage with stakeholders; indeed, I am meeting the chiefs of the National Farmers Union and the Country Land and Business Association later in the week.

I might be asked when the Agriculture Bill will be coming back. I make it clear to the Committee that we wish to bring the Agriculture Bill here as soon as possible. It would be helpful if we could get the withdrawal agreement through at the third time of asking. That would clear the House and enable us to get these important bits of legislation through. I may be asked how we can

change what is the statutory instruments. Once we have left the EU, we can amend and change the provisions; the SIs are about maintaining the status quo, including any changes that may flow from the Agriculture Bill, or other changes we wish to make.

In closing, the instruments make appropriate changes to ensure an operable legal framework for the CMO on leaving the European Union. The changes are deliberately minimal, and will commence only when necessary to ensure operability and address deficiency.

4.10 pm

Dr Drew: I am delighted to serve under your chairmanship, Mr Evans, and I welcome the Minister to his place. This is my third SI of the day, so if I sound tired, it is because I am tired—rather tired of SIs. Given that the Minister has worked out all the questions I was going to ask, my job could be relatively short. I had better think of some other questions, just to make sure that the civil servants earn their pay for the day. I also welcome the former Minister, the hon. Member for Camborne and Redruth yet again. We have a double act here. He does this for free now, but he should not tell his colleagues that; they will think it is a good way forward, and we might get a few more of them acting in that way. We will say nothing more about that.

I state my usual caveat: we are doing these things in an incredibly rushed way, and mistakes will be made. In fact, the previous SI we considered was all about the mistakes in an SI from last week, so we are going back over what we went over. That will happen, given that we are going through these SIs at a rate of knots.

I am a simple soul, so I will take the SIs in some sort of order; otherwise I will get confused. There are four instruments, but effectively three statutory instruments. I am still trying to struggle through them, but I will try to make my explanation as simple as I can. The first is the draft Common Organisation of the Markets in Agricultural Products Framework (Miscellaneous Amendments, etc.) (EU Exit) Regulations 2019, which the Minister mentioned. Much of the subject matter is devolved, and I am intrigued about the extent to which there is an attempt to pull back to the centre some of the changes coming from the EU. The Minister touched on this and made the point about the Administration in Cardiff. I would like him to at least allay my fears that the devolved Administration are losing out in some way. I am sure that the SNP will have something to say about that.

This whole area of market structure is not easily picked up; I found it complex—perhaps I am not that clever. I know enough about pillar one, and the way it has worked for a long time, having studied it for a long time. There are issues to do with the lack of clarity on how this will be restructured, even though we are talking about just a transfer of powers, according to the Government. We are told these are technical regulations, but at least some stakeholders disagree with that and feel that there is a change in the relationship. Given the attempt to conflate all these SIs, we have to pick through them carefully.

The Minister outlined the different things covered by market organisation—public intervention, aid for private storage, aid schemes, marketing standards, producer organisations, import and export rules and price measures

[Dr Drew]

—all of which are covered by the transfer of powers, as far as I understand. As I said in my rant to the Minister's colleague in the last SI Committee, the Opposition struggle because all the non-governmental organisations are struggling to keep up to date. I am glad that the Minister is meeting the NFU and CLA, but the various non-governmental organisations to whom I have spoken say that they do not have the capacity to undertake any scrutiny of these SIs because of their complexity and the speed with which they are moving through the House.

The NFU has, however, commented on the first SI. It sees producer organisations as being very important, so continuity as the European legislation becomes UK law is important, as is remaining exempt from competition law; if there is no exemption, it will complicate matters. That is particularly true of horticulture. I would welcome hearing from the Minister on that, so that we can be sure that there are genuinely no changes.

EU member states have been encouraged to work on strengthening routes to market; I know from talking to farmers that they see that as being where they should go. How will these SIs, which are all about market structure, encourage farmers to move closer to the marketplace without raising food prices? We have to be well aware of that. The issue is the degree to which these SIs touch on competition law, and whether the UK will have to revisit its competition law.

The second SI, the draft Common Organisation of the Markets in Agricultural Products and Common Agricultural Policy (Miscellaneous Amendments) (EU Exit) Regulations 2019, seems to anticipate future SIs. What are those future SIs and changes? How will they impinge on the way the market operates? Given that this has a lot to do with producer organisations, where is the financial analysis? That is the question that I always ask. Can we be assured that the burden will not fall on the producer organisations, which already suffer from market precariousness? In the short term, there will be churning in the policy vacuum—and there is bound to be a vacuum; things may operate seamlessly, but various questions will remain.

We have to look at where we are, and where we want to be, and make sure that policies are as fair, open and transparent as possible, because any unfair trading practices will undermine the point of trying to encourage producer organisations. That is borne out by what the NFU said to me. It believes that producer organisations are the way in which farm businesses should be moving, so that they can negotiate more successfully with retailers and directly with the customer.

Greener UK asked me a series of questions about the regulations. I will not go through all of them. It is concerned about how the effect of the changes on the environment will be monitored and measured in a fully transparent fashion. It wants to know how the searchlight will be turned on, and how we will make sure that procedures are fully operative as early as possible. That is all linked to the implementation of environmental law and policy. It is also interested in how we will deal with possible breaches, and that will reflect how citizens or civil society organisations will look at this. Greener UK has views on the fairness or unfairness of how

things work. Producers and representatives of customers have questions about transparency, accountability, and what to do when things do not work as they should.

The draft Agriculture (Legislative Functions) (EU Exit) (No. 2) Regulations 2019 are much more about the structure itself, but concern such aspects as organic production and labelling, which we have talked about in previous Committees. It is important that we recognise that that sector needs greater protection, because it will undergo considerable changes. Although we have our own organic regulators in this country, so much of it is about commonality with the rest of the EU, and that will have to change.

The main issues are diverse, and extend to the functioning of age schemes, including for school milk and the fruit and vegetable scheme, which is of course about providing good quality food to children, and subsidising the industry, to put it bluntly. The question is how the Government can realistically think that anyone, especially key stakeholders, can cover that? There is such a wide range of elements in the SI. The Minister said that the Government did not need to consult, but it would be interesting to know what consultation, if any, has taken place.

George Eustice (Camborne and Redruth) (Con): All we are doing with the SIs is substituting “a member state” for “national authority”, or replacing “Commission” with “the appropriate authority”, simply to make the existing regulations operable. The real question is where was our ability to scrutinise the original EU regulations that were imposed on us? Nobody generally bothered to look at them, barring the Ministers who were there at the time.

Dr Drew: The answer is that we could always do it better, and now we have no reason not to. It puts the onus on us, which is why the SIs are important. If we do not get it right now, it will come back to haunt us, either because we will have missed an opportunity or because we will have to revisit the SIs, as we did with those laid just a week or so ago. I accept what the former Minister says, but a whole series of market segments are affected by the CMO, and the way in which the SI will operate.

The Government say that there are no costs, but somebody, somewhere, has to bear some of the costs, because there will be new regulatory burdens. As yet, the Government are not clear on how those burdens will be set up, and what form they will take. It would be interesting to understand the Government's thinking on that, because unless we get the market structure right at least some of the different segments within the food industry will suffer, at least in the short run. Some of the legislation really matters, because it is about emergency measures, which we all ought to know about because of what has happened in previous food scares.

The Minister will be pleased to hear that my final point will be my usual entreaty about databases. We are looking at how we will set up a new databank—in this case, of isotopic data—to detect fraud. The current one is based on samples taken by the member states; we will have to replicate that in a UK context. It would be interesting to know where we are with all the wonderful IT innovations that the Government are trying to introduce, also at a speed of knots.

There is no date for this, so I do not know whether we will borrow stuff from the EU. Clearly, they have collected and stored a lot of material on, for example, the authenticity of wine and what level of sugar has been added, and how

much water is in the wine. There is something biblical about that. If we are starting from scratch—I do not know whether we are—can we just bring all the information across, or do we have to pay for it? Alternatively, can we use comparable databases?

It is the usual questions. Where are the databases? How advanced are they in terms of their operation? Who will have access to them? If there is evidence of fraud in the way these different market sectors are operating, what do the Government intend to do? I have nothing more to ask. This is one of the more complex SIs of the many we have been through. As the Minister answered many of my questions to start with, I have come up with a few different ones, but I welcome that we are now getting the answers as well as the questions. It makes my job that much easier.

4.25 pm

David Linden (Glasgow East) (SNP): It is a pleasure to see you in the chair, Mr Evans. I had a thorough speech that I was going to give, but the hon. Member for Stroud has gone through everything. He spoke of the authenticity of wine. Most Members attending these SI Committees dread coming, but if we were getting to check out the authenticity of wine, we might find there were more volunteers.

In the Scottish National party, regardless of our opposition to the UK's withdrawal from the EU in principle and in its entirety, we understand that it is important that to have instruments to establish and preserve the framework around the status quo, so I will not seek to divide the Committee this afternoon. Given that this is another DEFRA SI of the several coming forward at the moment, I wish to reflect on the general landscape around Brexit.

During the Brexit campaign, a string of false promises was made to farmers, in particular in Scotland. The Tories have been involved in constant scaremongering that payments will not be able to be made to Scottish farmers post Brexit if a legislative consent motion is not given to the Agriculture Bill, whenever it appears. The Cabinet Secretary in Scotland has confirmed that is simply untrue and payments can and will be made.

When we think about the chaos that emanates from this shambolic Brexit process and in particular the threat of no deal, I reflect on the comments from the president of NFU Scotland, Andrew McCornick, who said

“a no deal Brexit must be permanently taken off the table and a workable solution identified by MPs and government as a matter of urgency to deliver some kind of order”

out of the current chaos. Parliament will take control of the agenda tomorrow and we might see some of that.

In conclusion, the stockpiling of food in preparation for Brexit demonstrates how drastic an effect Brexit has had on all of the most basic human requirements. People in Scotland will look on this process and see how being governed from this Parliament, and the absolute chaos emanating from this place, only emphasises our view that Scotland is a nation and nations are best served when they govern themselves.

4.27 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): As the Minister is double acting with his former Minister, he will excuse me if the shadow team does the same. I have only a few technical questions.

In the draft Agriculture (Legislative Functions) (EU Exit) (No. 2) Regulations 2019, explanatory note 7.5 on page 4 states:

“The Secretary of State may also exercise the functions on behalf of a devolved administration, but only with their consent.”

Can the Minister provide clarification with regard to the concerns he raised earlier about the functions being used in relation to powers in Wales? What type of consent does the Minister need to seek? For the sake of clarity, can the Minister set out whether he can exercise those powers in Wales without the consent of the Welsh Assembly due to the devolution settlement being confused?

The Minister, and certainly his predecessor, will know that I have been critical about the wording of impact assessments throughout this entire process and the phraseology that said there is no or no significant impact was used in earlier statutory instruments. As we are coming to the end of these DEFRA SIs, I wish to put on record that impact assessment paragraph 12.3 on page 5 is significantly better than the wording when we started the process. I am grateful to officials for beefing that up. I am also especially grateful for the addition of the understanding about the financial threshold and the impact the instrument suggests. In this case, it states that

“the change in regulation falls below the £5m p.a. threshold for net direct costs to business.”

In my mind, £5 million seems to be a significant impact for businesses. I believe that threshold level is still too broad, but it is good to see that a threshold level is being inserted at all.

On the draft Common Organisation of the Markets in Agricultural Products Framework (Miscellaneous Amendments, etc.) (EU Exit) Regulations 2019, can the Minister explain the revocations in part 4? My understanding is that this SI revokes geographical indication protection for a series of incredibly posh wines that I have not been fortunate enough to try, including Bürgstadter Berg and Monzinger Niederberg, which according to my friends at Google is a wonderful Riesling. I would be grateful if the Minister could set out whether those protections are replicated elsewhere, or whether what we are doing here is removing geographical indication protections. As the Minister will know, and the former Minister will certainly know, I am a big fan of keeping geographical indication protections so that the GI status of, for example, Cornish pasties can be protected after whatever form of Brexit we have. I am concerned that revoking protections on certain types of wine will be the start of a reduction in GI protections that could encourage our European friends to further remove protections on UK products.

Finally, in the explanatory memorandum for the draft Common Organisation of the Markets in Agricultural Products Framework (Miscellaneous Amendments, etc.) (EU Exit) Regulations 2019, paragraph 7.3 on page 4 states:

“With exit day less than one year away, and in the continued absence of a Northern Ireland Executive”.

That is technically correct—three days is certainly less than one year away—but I wonder how long this SI has been sitting on the books. There is a point here about how late we are looking at so many of these SIs, ahead of what was previously exit day on 29 March. That sentence suggests to me that this SI has been sitting around for a long time.

George Eustice: Perhaps officials in the Department could foresee that Parliament would balk at the idea of leaving without a deal. “One year” might be a reference to the extension.

Luke Pollard: I am grateful to the former Minister, who is again backseat driving the Minister’s role. I would like to think that officials are that prescient about the Government’s inability to bring forward a deal that they can get a parliamentary majority for, but I suspect the answer is that this SI has been sitting on a desk in DEFRA for some considerable time, and we are waiting until the last moment for these SIs to be given the scrutiny they deserve. As my hon. Friend the Member for Stroud said, driving through so many SIs means that the level of scrutiny that stakeholders and the Opposition can give them is more limited than if we had been given more time. However, I would be grateful if the Minister could set out answers, particularly about the geographical indications and what they mean for the read-across of UK protections.

4.32 pm

Mr Goodwill: I will take the questions in reverse order, starting with those asked by the hon. Member for Plymouth, Sutton and Devonport. He specifically asked about the functions that the Secretary of State exercises on behalf of the devolved Administrations. I repeat the point I made in my opening remarks: the Welsh Government have carefully considered whether the Secretary of State should be able to act on their behalf in respect of each of the functions concerned, and the drafting reflects the outcome of that consideration. I met with the Welsh and the Scots yesterday, and I think we have a good working relationship with the devolved Administrations. We wish above all to respect the devolution settlements, and we understand the importance of decision-making at that level. Indeed, part of the wish expressed by the British people in the referendum was to have control of our own affairs, and not be controlled from another capital. I am sure that people in Edinburgh would sympathise with that, although we wish to keep the United Kingdom together as one country.

To quickly address the wine situation, the Government have not announced a decision about how non-UK GIs will be treated if the UK leaves the EU without a withdrawal agreement in place, but we recognise the cultural and economic importance of geographical indications. The hon. Gentleman talked about the day on which we will leave the European Union; maybe we should have a sweepstake in the Committee to see who gets closest. However, as far as I am aware, we will leave on 12 April in the event of no deal, and on 22 May if the deal can be delivered. Those who are concerned about no deal face a simple choice: they should vote for the deal, to enable us to leave in an orderly way. If we do not leave the European Union as instructed in the referendum, I do not believe the people of this country will treat any party kindly.

To respond to the questions asked by the hon. Member for Glasgow East, I have already mentioned how we respect the devolution settlement. Voting for the deal is the best way of avoiding any chaos that he may predict.

The hon. Member for Stroud talked about mistakes that may have been made. As I said, there may have been mistakes, but they can be corrected very easily.

Many of the changes that we may need to make in future will be the result not of mistakes, but of the need to keep up with changes at an EU level. He said that these measures are complex; that is true, but the changes being made are simple. Most of these regulations received scant scrutiny the first time they were presented to Westminster, having been decided in Europe, but in future we will be able to amend them in our sovereign Parliament without needing another 27 countries to agree to our way forward.

The hon. Gentleman raised the NFU’s concerns about producer organisations. Those are important to us, but no change is being made. In many ways, the power in this country tends to lie with the supermarkets, so I am not worried that producer organisations will misuse the exemption. Indeed, the Competition and Markets Authority is looking at how supermarkets are exercising their powers—*[Interruption.]*

4.35 pm

Sitting suspended for a Division in the House.

4.50 pm

On resuming—

Mr Goodwill: Before we were so rudely interrupted, I was trying to rush through my comments in order to get to the end before the Division, but I can now take a little more time to explain the situation and to answer the questions comprehensively.

The hon. Member for Stroud talked about anticipating future SIs. Changes will need to be made to keep up with changes to EU legislation, as I already said, but the SIs before us today make no fundamental changes. They are about changing EU authorities into the relevant UK authority.

The hon. Gentleman also asked why we are rolling over the articles, rather than starting afresh. With regards to future competition law as it relates to agriculture, the articles covering the EU producer organisation regime are being amended by the European Union (Withdrawal) Act in order to be made operable, but will eventually be repealed and replaced by domestic successor legislation using the powers in the Agriculture Bill.

Greener UK were concerned about any reduction in our very tight environmental standards. The Secretary of State has made it clear on several occasions, and I can reassure the hon. Gentleman, that there will be no change. There will be no reduction in our standards. Indeed, with our new method of agricultural support delivering public goods, in my opinion we will have the greenest agriculture in Europe.

The hon. Gentleman talked about organic production. Of course, we will continue to respect EU standards, but many of the licensing bodies in the UK, such as the Soil Association, have even more stringent requirements. The Agriculture Bill will give us the opportunity to help those farmers who may well want to convert to organics. The chance to have better trade relations with the United States will be a great opportunity for UK food, particularly organic food, to be sold into the United States market.

We are transferring powers on organic regulations to the UK from the European Commission. The powers include measures to implement the prohibition of genetically modified organisms, measures to implement

rules for production, conversion, processing, approval of certain products, exceptional production, labelling, and precautionary and control measures, which will ensure the notification of UK organic operators, and measures to set out the forms and methods of communication. I think we have a comprehensive approach to the issue of organic production.

A question was asked about school milk, which EU funding supports to an extent. We want children to be healthy and well-nourished, and regular dairy consumption makes an important contribution to that. I have a glass of milk most days myself, as it is the cheapest beverage in the Tea Room—it says a lot for the way that milk is taken for granted that a glass of milk in the Tea Room is a third of the price of a cup of tea. Alongside participating in the school milk scheme, the Government are doing a great deal nationally to promote children's dairy consumption through, for example, the much larger national free nursery milk scheme, and ensuring the availability of milk for pupils under the school food standards, including free milk for disadvantaged pupils.

Dr Drew: At the moment, the money might come from us, but it goes via the EU. Is the Government committed to continue to fund that? Has that been agreed with the Treasury?

Mr Goodwill: I thank the hon. Gentleman for that question, which leads me smoothly on to my next point. Regardless of whether we have a deal with the EU, funding will be available under the scheme for at least the next few years, and we will keep the position under review.

My last point is on the database and IT availability for a whole variety of areas. We are working very hard as a Department to make sure that we have IT systems up and running. I am very optimistic that they will work well.

Dr Drew indicated dissent.

Mr Goodwill: I know the history. The hon. Member for Stroud can shake his head, but we know that this has been a problem for various Governments. A lot of

the systems have been run at the beta phase—the testing phase—and they have worked well, including in my previous Department, Education, for the nursery scheme. That system worked very well after a few initial glitches.

The operability amendments made by the regulations will maintain the effectiveness and continuity of this legislation on the common organisation of agricultural markets and wider CAP provisions that would otherwise be inoperable following our exit from the European Union, as well as the provisions covering organic food and feed, and imports and exports of processed agricultural goods. They will ensure that we can continue to operate schemes under these regulations for our vital farming sector and maintain the standards they set, which support confidence in our farmed goods on domestic and international markets. I commend the regulations to the Committee.

Question put and agreed to.

Resolved,

That the Committee has considered the draft Common Organisation of the Markets in Agricultural Products Framework (Miscellaneous Amendments, etc.) (EU Exit) Regulations 2019.

**DRAFT COMMON ORGANISATION OF THE
MARKETS IN AGRICULTURAL PRODUCTS
AND COMMON AGRICULTURAL POLICY
(MISCELLANEOUS AMENDMENTS) (EU EXIT)
REGULATIONS 2019**

Resolved,

That the Committee has considered the draft Common Organisation of the Markets in Agricultural Products and Common Agricultural Policy (Miscellaneous Amendments) (EU Exit) Regulations 2019.—(*Mr Goodwill.*)

**DRAFT AGRICULTURE (LEGISLATIVE
FUNCTIONS) (EU EXIT) (NO. 2)
REGULATIONS 2019**

Resolved,

That the Committee has considered the draft Agriculture (Legislative Functions) (EU Exit) (No. 2) Regulations 2019.—(*Mr Goodwill.*)

4.56 pm

Committee rose.

