

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT COMMON ORGANISATION OF THE
MARKETS IN AGRICULTURAL PRODUCTS (FRUIT
AND VEGETABLE PRODUCER ORGANISATIONS,
TARIFF QUOTAS AND WINE) (AMENDMENT ETC.)
REGULATIONS 2021

Monday 14 June 2021

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Friday 18 June 2021

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The Committee consisted of the following Members:

Chair: MR PHILIP HOLLOBONE

Burton, Richard (<i>Leeds East</i>) (Lab)	Sharma, Mr Virendra (<i>Ealing, Southall</i>) (Lab)
† Caulfield, Maria (<i>Lewes</i>) (Con)	Sheerman, Mr Barry (<i>Huddersfield</i>) (Lab/Co-op)
† Glendon, Mary (<i>North Tyneside</i>) (Lab)	Thomson, Richard (<i>Gordon</i>) (SNP)
Harris, Rebecca (<i>Castle Point</i>) (Con)	Throup, Maggie (<i>Erewash</i>) (Con)
Jones, Fay (<i>Brecon and Radnorshire</i>) (Con)	Tomlinson, Michael (<i>Mid Dorset and North Poole</i>) (Con)
Mak, Alan (<i>Havant</i>) (Con)	Trickett, Jon (<i>Hemsworth</i>) (Lab)
Mann, Scott (<i>North Cornwall</i>) (Con)	† Zeichner, Daniel (<i>Cambridge</i>) (Lab)
† Morris, James (<i>Lord Commissioner of Her Majesty's Treasury</i>)	Dominic Stockbridge, <i>Committee Clerk</i>
† Prentis, Victoria (<i>Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs</i>)	
Pursglove, Tom (<i>Corby</i>) (Con)	† attended the Committee

Third Delegated Legislation Committee

Monday 14 June 2021

[MR PHILIP HOLLOBONE *in the Chair*]

Draft Common Organisation of the Markets in Agricultural Products (Fruit and Vegetable Producer Organisations, Tariff Quotas and Wine) (Amendment etc.) Regulations 2021

6 pm

The Chair: I remind Members to observe social distancing and sit only in places that are clearly marked. I also remind Members that Mr Speaker has stated that masks should be worn in Committee. *Hansard* colleagues will be most grateful if Members send their speaking notes to hochansardnotes@parliament.uk. I call the Minister to move the motion.

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 Common Organisation of the Markets in Agricultural Products (Fruit and Vegetable Producer Organisations, Tariff Quotas and Wine) (Amendment etc.) Regulations 2021.

It is a pleasure to serve under your chairmanship, Mr Hollobone. The regulations were laid before the House on 13 May 2021. The technical amendments made by the instrument cover three different policy areas: the fruit and vegetables aid scheme, tariff rate quotas, and wine.

First, our amendments will ensure that producer organisations recognised in the fruit and vegetables aid scheme can continue to receive aid for the actions they carry out in any new operational programmes that they implement once they have completed their existing one. The instrument remakes amendments to European Union regulations relating to the fruit and vegetable sectors and the fruit and vegetable producer organisation aid scheme. It includes, for example, activities that can be funded under the scheme, the amount of aid that can be claimed and the requirements that the producer organisation must meet in order to be eligible for funding. The amendments minimise any ambiguity in the rules that will apply to the legacy scheme in the UK until the scheme is switched off in England. The instrument will also make operability amendments to ensure that transnational producer organisations can receive funding in respect of all of their members for the remainder of the current operational programmes once we switch over to retained EU law.

The instrument also remakes amendments to EU regulation 2017/1185 to ensure that the Department for Environment, Food and Rural Affairs and the devolved Administrations can continue to obtain certain production price data from economic operators. The information itself is used for market management purposes, and

DEFRA and the devolved Administrations intend to maintain the collection and use of that information in the UK.

In technical terms, the instrument will correct an error relating to the commencement of part 4 of a previous statutory instrument, the Agricultural (Payments) (Amendment, etc) (EU Exit) Regulations 2020. The amendments in that statutory instrument relating to fruit and vegetable producer groups, fruit and vegetable producer organisations and notifications of agricultural market information to domestic authorities may not come into force as intended at the end of the transition period. The instrument addresses that problem. The instrument also revokes and remakes some provisions made by the Common Organisation of the Markets in Agricultural Products (Producer Organisations and Wine) (Amendment Etc.) (EU Exit) Regulations 2020 concerning fruit and vegetable producer organisations that might not have taken effect for the same reasons.

Secondly, the EU law in question sets out broad provisions on the administration of export tariff quotas that result from international agreements. The amendments we seek to make will ensure that the UK is able to administer export tariff rate quotas. The amendments will allow us to make detailed provisions in a future instrument on the administration of export licences for UK goods that are imported into third countries under tariff rate quotas—for example, UK cheese imported into the United States. Although that will allow UK exporters to continue to benefit from preferential market access, other powers will be needed to ensure that traders in the Crown dependencies can also access any new quotas.

The amendments replace references to the EU with the UK and remove references to the administration of import tariff rate quotas. Those are covered by regulations made under the Taxation (Cross-Border Trade) Act 2018. Tariff rate quota legislation affects the whole of the UK, as trade is reserved. No policy changes are made by these provisions.

Finally, the provisions on wine include a minor change to entry 1 of the table at annex 9A of retained regulation 1308/13. This change will make it clear that the established wines referred to are those recognised as established protected designation of origins and established protected GIs, or geographical indications, of the type referred to in article 1072 of retained regulation 1308.

This instrument, which is predominantly technical in nature, provides clarity in the context of continuity. I urge Members to agree to the amendments proposed in the regulations.

6.6 pm

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve once again with you in the Chair, Mr Hollobone.

When this statutory instrument came up, I immediately thought that there was something familiar about it. Not only were the words in a slightly different order, but it struck me that we have discussed much of this before—and of course, we did, with you in the Chair, Mr Hollobone, back on 2 November 2020. That led me to search my office to find my notes and accompanying speech from that time. I was delighted to find that the previous debate was largely about the errors that were being corrected in the measure that we were debating then. So

we are now correcting the errors that were made in correcting the original errors. On one level, that is slightly amusing, but of course it is serious as well.

I noted that in the Minister's typically very clear account, her speechwriter delicately suggested that there was an ambiguity. Actually, the person who wrote the explanatory memorandum was slightly less generous, because that says:

"this instrument fixes an error".

It does not just correct but "fixes an error".

In the debate in November, I remember gently teasing the Minister because it seemed to me that there were layers and layers of meaning being uncovered; I even suggested that it was a bit like a detective novel, although it was not clear who the villain was. Well, this time it is all too clear, and the Minister is named in the explanatory memorandum. Paragraph 3.1 clearly details the previous instrument, which the Minister agreed, but goes on to say:

"Due to an error in the commencement provision relating to Part 4 of the Agriculture (Payments) (Amendment, etc) (EU Exit) Regulations 2020, there is doubt as to whether Part 4 of that instrument, purporting"—

"purporting" indeed—

"to amend retained EU legislation, took effect."

Quite clearly, something went badly wrong and we are here today to correct it.

You will be delighted to know, Mr Hollobone, that we will not oppose this correction, because we want things to work, but there are some questions to ask. It would appear that since our discussion last year, there has been a fault in the legislation, so it is not unreasonable to ask what have the Government been unable to do between now and then as a consequence of that fault? I ask because these instruments give the Government powers to do things, so what has been the impact of the fault?

I have never got the sense that the Government are particularly keen on many of these programmes anyway, but have fruit and vegetable organisations been disadvantaged? Have checks been carried out to ensure that the payments have been made correctly? If they have been, without the correct legal basis, what is the consequence? I recall the discussion last time. I think that the Minister told us that there are 33 such schemes. I assume that the problem would really have come out if there were new schemes to be established. I suspect that that probably has not been the case; otherwise, we might have heard complaints.

Given that this does seem to be a slightly hypothetical legal argument, I wonder why we get to spend time on this measure, which does not appear to have much real-world impact, but—I think the Minister knows where I am going—we have spent more than a year trying to get a satisfactory answer about how things such as suspending and restoring competition law in the food chain came and went. I imagine that, in the end, it is because the Government do not really want us to talk about it and the Government have control of the procedures.

As the Minister said, and as is explained in paragraph 2.9 of the explanatory memorandum, this SI also allows export tariff quotas to be opened up and administered.

The Minister gave some extra detail—I was listening closely—but what has been happening in the first six months of this year? Have we had that ability, or have we not? What have been the consequences?

I have to reflect, perhaps slightly cheekily on the cusp of a rumoured Australian trade agreement, on what has been given away in return; perhaps we will come back to that later in the week. Finally, in paragraph 7.7 of the explanatory memorandum, there is talk of transnational producer organisations. Last time in discussion, we established that there might be four of them. Do we know the impact of the changes on them?

In conclusion, I do not think that we need to take the full hour and a half to discuss the draft regulations. We agree that these are sensible changes, but I will be grateful for the ministerial response to the few questions I have asked.

6.10 pm

Victoria Prentis: I thank the hon. Gentleman for making those points. I reassure him and the Committee that we take the way in which SIs are drafted very seriously. It is an important task, just as the work the Committee is doing this afternoon is important, and I do not want to minimise that at all by saying that many of the fixes are to do with dates.

The hon. Gentleman will remember well the context in which we were working in November—we had no idea at that point whether there would be a trade and co-operation agreement. I am glad that one has come into effect. We are also dealing with 40 years of EU legislation and how we can best use it to do the right thing for producer organisations in this country. He is right to say that there is layer on layer of meaning. I am a great lover of detective fiction. In particular, I enjoy the complexities in "golden age" detective fiction. I am extremely keen to ensure that we get our new legislative programme right in as transparent a way as possible. I am always happy to take up details with the hon. Gentleman, whether outside or inside our debates on SIs.

As for the ambiguity, it is ambiguous—I am frank about that. We do not know that we will need this draft SI, but we think it is better to get the legislation absolutely clear, so that the people using it are aware of the position. We do not feel that POs have been disadvantaged in the early part of this year, but we want to get it right now.

I am extremely happy to talk about suspending competition law with the hon. Gentleman at any point. I do not know that this Committee is the place to do that, but I will say that those suspensions were done in the context of the early stages of the pandemic, when we were extremely concerned about getting food on to the shelves. I am very proud of the work that was done to assist our retailers in making sure that our population was fed. With that in mind, I hope the Committee will agree to the amendments in the draft regulations.

Question put and agreed to.

6.13 pm

Committee rose.

