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My Lords,

Committee (Day 4) Agriculture Bill

I am grateful to noble Lords for their contributions on the fourth day of Committee for the Agriculture Bill on 16 July. I said that I would write on several matters raised.

Fair dealing obligations

Lord Empey raised a point in relation to statutory codes. Codes of conduct will only be introduced under Clause 27 following detailed consultation with industry. As I referenced during the debate, the UK Government, working with the devolved administrations, launched a consultation on 24 June 2020 seeking views on how to end any unfair practices across the UK's dairy sector. The consultation includes questions exploring specific issues such as price and pricing mechanisms, exclusivity, notice periods, variation of terms and charges/premiums.

The consultation document was designed to address the unique issues faced by dairy farmers, although it serves to provide a useful blueprint for how the Government will approach the development of any future codes of conduct. For instance, the Government's intention is to publish a subsequent consultation exploring a slightly different set of issues in the red meat sector, such as transparency of trading terms, penalties and deductions, and whether a tailored code of conduct to address those issues is necessary.

Workings of Clause 27

Lord Grantchester asked some technical points on the workings of Clause 27 on which I promised to write further. The issue of how codes of conduct will be enforced, and how that enforcement will be financed, was also raised during the debate. Lord Grantchester acknowledged that it is a significantly different experience regulating one part of the agri-food supply chain to another and it is important that the industry is given the chance to provide views about enforcement. Discussions with stakeholders suggest a range of options are possible; from arbitration panels to the ombudsman model. There is a specific question

in the dairy consultation inviting views on dispute resolution and the responses to this will be analysed and used to inform any ultimate decisions.

Lord Grantchester, Lady McIntosh and Lady Humphreys asked if the Rural Payments Agency could be a viable option for enforcement. Whilst it is important to stress that no decisions have yet been made about enforcement, the Government does consider that the depth of expertise possessed by the RPA and its pre-existing relationships with relevant supply-chain actors, such as abattoirs, means it could be well placed to take on such responsibilities.

On the issue of financing enforcement, again it is important that the consultation response analysis is undertaken before any decisions are made. Only once the nature of future regulations is clearer, and options for enforcement are more fully explored, can the Government make decisions about the appropriate funding mechanism.

Data collection

With regards to data collection provisions, which I promised to set out in writing, it is not the Government's intention to place undue burden on businesses by implementing mass data requirements across the entire industry. Rather, the Government will utilise the data collection powers only when there is a specific issue that improved data transparency can help rectify. The Government is aware of evidence suggesting a lack of transparency in the red meat supply chain, and we plan to consult in this area in due course.

I hope noble Lords find this information helpful. I am copying this letter to all noble Lords who took part in the debate and I shall be placing copies in the Libraries of both Houses.

Yours ever,
John

