

# Agriculture Bill

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## EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by the Department for Environment, Food and Rural Affairs are published separately as Bill 266—EN.

## EUROPEAN CONVENTION ON HUMAN RIGHTS

Secretary Michael Gove has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the Agriculture Bill are compatible with the Convention rights.

# Agriculture Bill

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Authorise new expenditure for certain agricultural and other purposes; to make provision about direct payments during an agricultural transition period following the United Kingdom's departure from the European Union; to make provision about the acquisition and use of information connected with food supply chains; to confer power to respond to exceptional market conditions affecting agricultural markets; to confer power to modify retained direct EU legislation relating to agricultural and rural development payments and public market intervention and private storage aid; to make provision about marketing standards and the classification of carcasses; to make provision for the recognition of associations of agricultural producers which may benefit from certain exemptions from competition law; to confer power to make regulations about contracts for the purchase of agricultural products from agricultural producers and securing compliance with the WTO Agreement on Agriculture; and for connected purposes.

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

**PART 1**

NEW FINANCIAL ASSISTANCE POWERS

**1 Secretary of State's powers to give financial assistance**

- (1) *The Secretary of State may give financial assistance for or in connection with any of the following purposes –*
- (a) *managing land or water in a way that protects or improves the environment;*
  - (b) *supporting public access to and enjoyment of the countryside, farmland or woodland and better understanding of the environment;*
  - (c) *managing land or water in a way that maintains, restores or enhances cultural heritage or natural heritage;*
  - (d) *mitigating or adapting to climate change;*

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- (e) *preventing, reducing or protecting from environmental hazards;*
  - (f) *protecting or improving the health or welfare of livestock;*
  - (g) *protecting or improving the health of plants.*
- (2) *The Secretary of State may also give financial assistance for or in connection with the purpose of starting, or improving the productivity of, an agricultural, horticultural or forestry activity.* 5
- (3) Financial assistance under subsection (1) or (2) may only be given in relation to England.
- (4) For the purposes of this section –
- “improving productivity”, in relation to carrying on an activity, includes –
    - (a) improving the quality of any products deriving from the activity, and
    - (b) improving the efficiency of the activity in terms of the resources used in, or in connection with, it; 15
  - “livestock” includes any creature kept for the production of food, drink, oils, fibres or leathers, or for the purpose of its use in the farming of land.
- 2 Financial assistance: forms, conditions, delegation and publication of information** 20
- (1) Financial assistance may be given by way of grant, loan, guarantee or in any other form.
- (2) Financial assistance may be given subject to such conditions as the Secretary of State considers appropriate.
- (3) The conditions may (among other things) include provision under which the financial assistance is to be repaid or otherwise made good (with or without interest). 25
- (4) Financial assistance may be given to a person in connection with a scheme made or operated by that person for the giving of financial support for any one or more of the purposes in section 1(1) and (2). 30
- (5) The Secretary of State may delegate functions relating to the giving of financial assistance to any other person.
- (6) Functions delegated under subsection (5) may include –
- (a) the giving of guidance;
  - (b) the exercise of a discretion. 35
- (7) The Secretary of State may by regulations make provision for or in connection with requiring the Secretary of State or another person to publish specified information about financial assistance which has been given.
- (8) Information which may be specified includes information about –
- (a) the recipient of the financial assistance;
  - (b) the amount of the financial assistance;
  - (c) the purpose for which the financial assistance was given. 40
- (9) Regulations under subsection (7) are subject to affirmative resolution procedure.

- (10) In this section –  
“financial assistance” means financial assistance under section 1;  
“specified” means specified by regulations under subsection (7).

### **3 Financial assistance: checking, enforcing and monitoring**

- (1) The Secretary of State may by regulations make provision for or in connection with – 5
- (a) checking whether eligibility criteria for receipt of financial assistance are met and the consequences, where financial assistance has already been given, if not;
  - (b) enforcing compliance with conditions subject to which financial assistance is given; 10
  - (c) monitoring the extent to which the purpose of the financial assistance has been achieved.
- (2) Regulations under subsection (1) may (among other things) include provision – 15
- (a) about the provision of information;
  - (b) conferring powers of entry;
  - (c) conferring powers of inspection;
  - (d) about the process for determining if eligibility criteria, or conditions subject to which financial assistance is given, are met; 20
  - (e) about the keeping of records;
  - (f) about the recovery or withholding of all or any part of financial assistance;
  - (g) imposing monetary penalties;
  - (h) creating offences; 25
  - (i) prohibiting a person from receiving financial assistance for a period or until conditions specified in, or determined under, the regulations are satisfied;
  - (j) about appeals;
  - (k) conferring functions (including functions involving the exercise of a discretion) on a person. 30
- (3) Regulations under this section are subject to affirmative resolution procedure.
- (4) In this section “financial assistance” means financial assistance under section 1.

## **PART 2**

### **FINANCIAL SUPPORT AFTER EXITING THE EU 35**

#### **CHAPTER 1**

##### **DIRECT PAYMENTS**

### **4 Meaning of “basic payment scheme” and other expressions in Chapter 1**

- (1) This section defines or explains expressions used in this Chapter.
- (2) The “basic payment scheme” is the Basic Payment Scheme under the Direct Payments Regulation (see Title III of that Regulation), as it operates in relation 40

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- to England, including the arrangements relating to each of the following elements of direct payments under that scheme –
- (a) so much of a direct payment that does not consist of a greening or young farmers payment (see Chapter 1 of Title III),
  - (b) a greening payment (see Chapter 3 of Title III), and 5
  - (c) a young farmers payment (see article 50 of that Regulation).
- (3) The “legislation governing the basic payment scheme” is –
- (a) the following retained direct EU legislation –
    - (i) the Direct Payments Regulation;
    - (ii) any Council Delegated Regulation, or Commission Delegated Regulation, made under the Direct Payments Regulation; 10
    - (iii) any other retained direct EU legislation which relates to the operation of the basic payment scheme; and
  - (b) any subordinate legislation relating to retained direct EU legislation falling within paragraph (a). 15
- (4) “Direct payment” means –
- (a) a payment under the basic payment scheme (whether or not including a greening payment, a young farmers payment or both elements), or
  - (b) a delinked payment.
- (5) The “agricultural transition period for England” is the period for the time being specified in section 5(1). 20
- (6) “Delinked payment”, except in subsections (1) and (2) of section 7, means a payment under regulations under that section made by virtue of those subsections.
- (7) The “Direct Payments Regulation” is Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy. 25
- (8) “Phasing out”, in relation to direct payments, means taking steps to secure that, at least once during the period in which the phasing out takes place prior to the termination of those payments, there are reductions in the amounts paid out to some or all of those entitled to receive direct payments. 30
- 5 The agricultural transition period for England**
- (1) The agricultural transition period for England is the period of seven years starting with 2021. 35
  - (2) The Secretary of State may by regulations amend subsection (1) for the purpose of extending the period specified in that subsection.
  - (3) The power under subsection (2) may be exercised more than once (but may not be exercised if the agricultural transition period for England has already ended). 40
  - (4) Regulations under this section are subject to affirmative resolution procedure.

## 6 Power to modify legislation governing the basic payment scheme

- (1) The Secretary of State may by regulations modify legislation governing the basic payment scheme for or in connection with making changes the Secretary of State considers will simplify or improve the scheme (so far as it operates in relation to England). 5
- (2) The provision which may be made under subsection (1) includes provision made for or in connection with terminating greening payments in relation to England before the end of the agricultural transition period for England.
- (3) Regulations under this section are subject to negative resolution procedure.

## 7 Power to provide for phasing out direct payments and delinked payments 10

- (1) The Secretary of State may by regulations make provision for or in connection with either or both of the following –
  - (a) phasing out direct payments under the basic payment scheme in relation to England over the whole or part of the agricultural transition period for England; 15
  - (b) *terminating direct payments under that scheme in relation to England and instead making delinked payments in relation to England in respect of the whole or part of the agricultural transition period for England.*
- (2) For this purpose a delinked payment is a payment, with respect to a year, which is made in accordance with the regulations to a person who is under the regulations entitled to receive it. 20
- (3) Regulations making provision under subsection (1)(b) must –
  - (a) specify the first year within the agricultural transition period for England in respect of which delinked payments are to be made (“the first delinked year”), 25
  - (b) provide that after the end of the year preceding the first delinked year no payments are to be made under the basic payment scheme in relation to England otherwise than in respect of that preceding year (or an earlier year),
  - (c) specify the descriptions of persons who, in respect of a year, are entitled to receive a delinked payment (whether or not they are required by the regulations to make an application before anything becomes payable), and 30
  - (d) make provision setting out rules for determining the amount of the delinked payment to be made to an entitled person with respect to any year. 35
- (4) A description of persons specified under subsection (3)(c) may (but need not) be framed by reference to whether they were entitled to a direct payment under the basic payment scheme in respect of a specific year (or one of several specific years) prior to the first delinked year. 40
- (5) Rules set out under subsection (3)(d) for determining the amount of any delinked payment to be made to a person may (but need not) be framed by reference to the amount of a direct payment to which the person was entitled, or, if specific assumptions are made would have been entitled, under the basic payment scheme. 45
- (6) Regulations under subsection (1)(b) may make provision –

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- (a) for a person who makes a request in accordance with the regulations to cease to be regarded as a person entitled to receive delinked payments in relation to England,
  - (b) for other circumstances in which a person ceases to be an entitled person in relation to England, and 5
  - (c) for the repayment (with or without interest) of any amount paid as a delinked payment to which the recipient was not entitled.
- (7) Regulations under this section may make provision for or in connection with the payment of a lump sum (at the request of a person entitled to direct payments) in lieu of any direct payments to which that person would otherwise be entitled with respect to two or more years of the agricultural transition period for England. 10
- (8) If provision for terminating greening payments is made under section 6(2) (whether before or after the start of the agricultural transition period for England), then subsection (1) above has effect as if the references to direct payments do not include the greening payment element of direct payments. 15
- (9) Regulations under this section are subject to affirmative resolution procedure.
- 8 Termination of direct payments**
- (1) After the end of the agricultural transition period for England no direct payments are to be made under the basic payment scheme in relation to England otherwise than in respect of the last year of that period (or an earlier year). 20
- (2) If provision for delinked payments is made in regulations under section 7(1)(b) –
- (a) subsection (1) above does not apply, and 25
  - (b) no delinked payments in relation to England are to be made after the end of the agricultural transition period for England otherwise than in respect of the last year of that period (or an earlier year).

## CHAPTER 2

OTHER FINANCIAL SUPPORT: MODIFICATION OF LEGISLATION IN RELATION TO ENGLAND 30

**9 General provision connected with payments to farmers and other beneficiaries**

- (1) The Secretary of State may by regulations modify –
- (a) retained direct EU legislation relating to the financing, management and monitoring of the common agricultural policy, and 35
  - (b) subordinate legislation relating to that legislation.
- (2) Regulations under this section may only be made for the purpose of –
- (a) securing that any provision of legislation referred to in subsection (1) ceases to have effect in relation to England, or
  - (b) simplifying or improving the operation of any provision of such legislation in relation to England. 40

- (3) Regulations under this section may not make any provision of legislation mentioned in subsection (1) apply in relation to financial assistance under section 1.
- (4) In this section “retained direct EU legislation relating to the financing, management and monitoring of the common agricultural policy” includes – 5
- (a) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy;
  - (b) any retained direct EU legislation made under that Regulation.
- (5) Regulations under this section are subject to negative resolution procedure. 10

## 10 Aid for fruit and vegetable producer organisations

- (1) The Secretary of State may by regulations modify the following retained direct EU legislation for the purpose of securing that it ceases to have effect in relation to England –
- (a) Articles 32 to 38 of the CMO Regulation, which make provision about aid for fruit and vegetable producer organisations (“producer organisations aid”); 15
  - (b) so far as relating to producer organisations aid, Commission Delegated Regulation (EU) 2017/891 of 13 March 2017 supplementing the CMO Regulation with regard to the fruit and vegetable, and processed fruit and vegetable, sectors; 20
  - (c) so far as relating to producer organisations aid, Council Implementing Regulation (EU) 2017/892 of 13 March 2017 laying down rules for the application of the CMO Regulation with regard to the fruit and vegetable, and processed fruit and vegetable, sectors. 25
- (2) Regulations under this section are subject to negative resolution procedure.

## 11 Support for rural development

- (1) The Secretary of State may by regulations modify –
- (a) retained direct EU legislation relating to support for rural development, and 30
  - (b) subordinate legislation relating to that legislation.
- (2) Regulations under this section may only be made for the purpose of –
- (a) securing that any provision of legislation referred to in subsection (1) ceases to have effect in relation to England, or
  - (b) simplifying or improving the operation of any provision of such legislation so far as it continues to have effect in relation to England (pending the achievement of the purpose in paragraph (a)). 35
- (3) In this section “retained direct EU legislation relating to support for rural development” includes in particular –
- (a) Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development, 40
  - (b) Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development,

- (c) Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development,
  - (d) so far as it relates to support for rural development, Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund etc, 5
  - (e) Council Regulation (EC) No 1257/99 of 17 May 1999 on support for rural development, 10
  - (f) Council Regulation (EEC) No 2080/92 of 30 June 1992 instituting a Community aid scheme for forestry measures in agriculture,
  - (g) Council Regulation (EEC) No 2078/92 of 30 June 1992 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside, and 15
  - (h) retained direct EU legislation made under the retained direct EU legislation in paragraphs (a) to (g).
- (4) Regulations under this section are subject to negative resolution procedure.

### PART 3

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#### COLLECTION AND SHARING OF DATA

## 12 Agri-food supply chains: requirement to provide information

- (1) The Secretary of State may require a person in, or closely connected with, an agri-food supply chain to provide information about matters connected with any of the person’s activities connected with the supply chain so far as the activities are in England. 25
- (2) The Secretary of State may make regulations requiring a person in, or closely connected with, an agri-food supply chain to provide information about matters connected with any of the person’s activities connected with the supply chain so far as the activities are in England. 30
- (3) See section 13 for provision about –
  - (a) the meaning of “agri-food supply chain”,
  - (b) who is in such a supply chain, and
  - (c) who is closely connected with such a supply chain.
- (4) Subsections (1) and (2) do not apply in relation to individuals in a supply chain so far as they are in the supply chain by reason of them, or members of their households, being the ultimate consumers (see section 13). 35
- (5) A requirement under subsection (1) must be in writing.
- (6) Subsection (1) binds the Crown.
- (7) Regulations under subsection (2) are subject to affirmative resolution procedure. 40

## 13 Meaning of “agri-food supply chain”

- (1) This section has effect for the purposes of this Part.

- (2) An “agri-food supply chain” is a supply chain for providing individuals with items of food or drink for personal consumption where the items consist of or include, or have been produced using (directly or indirectly, and whether or not exclusively), the whole or part of –
- (a) anything grown or otherwise produced in carrying on agriculture, or 5
  - (b) any creature kept in carrying on agriculture, or
  - (c) any creature or other thing taken from the wild.
- (3) The persons in an agri-food supply chain are –
- (a) those individuals (“the ultimate consumers”),
  - (b) the persons carrying on the agriculture or (as the case may be) taking things from the wild, and 10
  - (c) anybody in the supply chain between those persons and the ultimate consumers.
- (4) The persons “closely connected” with an agri-food supply chain are –
- (a) anybody supplying seeds, stock, equipment, feed, fertiliser, pesticides, medicines or similar items to the persons within subsection (3)(b) for use in the agriculture or taking, 15
  - (b) anybody providing, to persons within subsection (3)(b) or (c), services related to –
    - (i) the health of creatures, or plants, involved in the supply chain, or 20
    - (ii) the safety or quality of the food or drink to be provided to the ultimate consumers,
  - (c) any person carrying on activities capable of affecting a matter mentioned in sub-paragraph (i) or (ii) of paragraph (b), and 25
  - (d) bodies representing persons within any of paragraphs (b) and (c) of subsection (3) and paragraphs (a), (b) and (c) of this subsection.
- (5) Activities of the kind mentioned in subsection (4)(c) are to be treated for the purposes of section 12(1) and (2) as connected with the supply chain, but this is not to be read as limiting the generality of “connected” in section 12(1) and (2). 30
- (6) In this section –
- “agriculture” includes any growing of plants, and any keeping of creatures, for the production of food or drink;
  - “plants” includes fungi; 35
  - “seeds” includes bulbs and other things from which plants grow.

#### **14 Requirement must specify purposes for which information may be processed**

- (1) This section applies to a requirement imposed under section 12(1) or (2).
- (2) The requirement must specify the purposes for which the information may be processed. 40
- (3) Each purpose specified must be in, or covered by, the list of purposes in subsection (4).
- (4) The list of purposes is as follows –
- (a) helping persons in agri-food supply chains to –
    - (i) increase productivity, 45

- (ii) manage risks (including, but not limited to, financial risks, non-financial trading risks, climatic risks, and risks of or from disease or pollution), or
- (iii) manage market volatility;
- (b) promoting transparency or fairness in agri-food supply chains; 5
- (c) promoting the health or traceability of creatures of a kind kept for the production of food, drink, fibres or leathers;
- (d) promoting the health of plants;
- (e) minimising adverse environmental effects of activities connected with agri-food supply chains; 10
- (f) minimising waste arising from activities connected with agri-food supply chains;
- (g) monitoring, or analysing, markets connected with agri-food supply chains;
- (h) the purposes of any function of a public authority so far as it is a function relating to one or more of the following – 15
  - (i) agri-food supply chains,
  - (ii) activities connected with agri-food supply chains,
  - (iii) the health of people or creatures,
  - (iv) the health or quality of plants or soil, 20
  - (v) the safety or quality of food or drink,
  - (vi) waste,
  - (vii) environmental protection, or
  - (viii) the countryside.
- (5) In subsection (4) – 25
  - “plants” includes fungi;
  - “public authority” means a public authority –
    - (a) in any part of the United Kingdom, or
    - (b) in a country or territory outside the United Kingdom.
- (6) For the meaning of “agri-food supply chain” (and “person in” such a chain) see section 13. 30

## 15 Provision of required information and limitations on its processing

- (1) This section applies to a requirement imposed under section 12(1) or (2).
- (2) Information provided in response to the requirement may be processed for, but only for, purposes specified in the requirement (see section 14). 35
- (3) Subsection (2) applies –
  - (a) to the person to whom the information is provided, and
  - (b) to a person to whom the information is disclosed,
 but, in the case of a person within paragraph (b), subsection (2) does not authorise processing contrary to the terms on which disclosure is made. 40
- (4) Subsections (2) and (3) are subject to subsections (6) to (9).
- (5) The requirement may specify –
  - (a) how and when the required information is to be provided, including (in particular) –

- 
- (i) the person to whom the information is to be provided (who may be a person other than the Secretary of State);
    - (ii) the form in which the information is to be provided;
    - (iii) the means by which it is to be provided;
    - (iv) the time or times at which, or by when, it is to be provided; 5
  - (b) the types of processing to which the information may be subjected;
  - (c) the forms in which the information may be disclosed.
- (6) Where the requirement specifies the types of processing to which the information may be subjected, information provided in response to the requirement may not be subjected to other types of processing except in circumstances specified in the requirement. 10
- (7) Subsections (8) and (9) apply if –
- (a) information is provided in response to the requirement, and
  - (b) a person (“P”) proposes to make a disclosure of the information.
- (8) Where P proposes that the disclosure should be of the information otherwise than in anonymised form – 15
- (a) P must consider whether the disclosure (if made in that form) would, or might, prejudice the commercial interests of any person, and
  - (b) if P considers that it would or might do so, the disclosure (if made) must be of the information in anonymised form unless the Secretary of State considers that it is in the public interest for the disclosure to be of the information in some other form (in which event the disclosure may be of the information in that other form). 20
- (9) Where –
- (a) subsection (8)(b) does not govern the disclosure, but 25
  - (b) the requirement specifies the forms in which the information may be disclosed,
- the disclosure must not be of the information in any other form except in circumstances specified in the requirement.
- (10) In this Part “processing”, in relation to information, means an operation or set of operations which is performed on information, or on sets of information, such as – 30
- (a) collection, recording, organisation, structuring or storage,
  - (b) adaptation or alteration,
  - (c) retrieval, consultation or use, 35
  - (d) disclosure by transmission, dissemination or otherwise making available,
  - (e) alignment or combination, or
  - (f) restriction, erasure or destruction.
- 16 Enforcement of information requirements 40**
- (1) The Secretary of State may by regulations make provision for enforcement of a requirement imposed under section 12(1) or (2).
- (2) In the following provisions of this section –
- “regulations” means regulations under subsection (1);
  - “specified” means specified in regulations under subsection (1). 45

- (3) In subsection (1) “enforcement” includes (in particular) –
- (a) monitoring compliance,
  - (b) investigating non-compliance, and
  - (c) dealing with non-compliance.
- (4) The provision that may be made by regulations includes (in particular) – 5
- (a) provision for the imposition of monetary penalties for non-compliance with requirements, whether penalties –
    - (i) of a specified amount, or
    - (ii) of an amount calculated in a specified manner, or
    - (iii) of an amount, not exceeding a specified maximum or a maximum calculated in a specified manner, decided by a specified person or a person of a specified description, or 10
    - (iv) by way of suspending, or withholding, payment of any amounts;
  - (b) provision for recovery of amounts due in respect of monetary penalties, including provision for any of interest, set-off and security for payment; 15
  - (c) provision about the giving of advice or warnings;
  - (d) provision for the imposition of restrictions (including prohibitions) on carrying out activities; 20
  - (e) provision for the acceptance of undertakings to take, or refrain from taking, particular actions;
  - (f) provision giving persons functions in connection with enforcement of requirements;
  - (g) provision about review of, or appeals against, things done (including decisions made) in connection with enforcement of requirements. 25
- (5) In subsection (4)(a) “specified manner” includes (in particular) a manner framed by reference to a specified matter such as a person’s profits, income or turnover.
- (6) Regulations under this section are subject to affirmative resolution procedure. 30

#### PART 4

##### INTERVENTION IN AGRICULTURAL MARKETS

###### *Exceptional market conditions*

#### 17 Declaration relating to exceptional market conditions

- (1) The Secretary of State may make and publish a declaration in accordance with this section if the Secretary of State considers that there are exceptional market conditions which justify making the powers conferred by or referred to in section 18 available for use. 35
- (2) In this Part “exceptional market conditions” exist where –
- (a) there is a severe disturbance in agricultural markets or a serious threat of a severe disturbance in agricultural markets, and
  - (b) the disturbance or threatened disturbance has, or is likely to have, a significant adverse effect on agricultural producers in England in terms of the prices achievable for one or more agricultural products. 40

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- (3) A declaration must –
- (a) state that the Secretary of State considers that there are exceptional market conditions which justify making the declaration,
  - (b) describe the exceptional market conditions in question, in particular by specifying –
    - (i) the disturbance or threatened disturbance in agricultural markets,
    - (ii) any agricultural product which is or is likely to be affected by the disturbance or threatened disturbance, and
    - (iii) the grounds for considering that the conditions in subsection (2)(a) and (b) are met in relation to that disturbance or threatened disturbance;
  - (c) describe the grounds for considering that the exceptional market decisions justify making the powers conferred by or referred to in section 18 available for use; and
  - (d) state that the powers conferred by or referred to in section 18 are (unless the declaration is revoked sooner) available for use in relation to the exceptional market conditions until such day as the declaration may specify.
- (4) A declaration has effect from when it is published until the end of the day specified under subsection (3)(d) (which may not be later than the last day of the period of three months beginning with the day on which it is published).
- (5) The Secretary of State may revoke a declaration by making and publishing a further declaration stating that the declaration is revoked.
- (6) If at any time during the period of seven days ending with the day specified under subsection (3)(d) the Secretary of State considers that –
- (a) there continue to be exceptional market conditions, and
  - (b) they justify extending the availability of the powers conferred by or referred to in section 18,
- the Secretary of State may make and publish a further declaration extending the effect of the original declaration for such period (not exceeding three months) as the further declaration may specify.
- (7) The fact that a declaration under this section has expired or been revoked does not prevent the Secretary of State from making and publishing another declaration relating in whole or part to the same exceptional market conditions.
- (8) A copy of any declaration made and published under this section must be laid before Parliament by the Secretary of State as soon as practicable after it is published.
- (9) In this section and section 18 a reference to agricultural markets, agricultural producers or agricultural products includes horticultural markets, horticultural producers or horticultural products (as the case may be).
- 18 Exceptional market conditions: powers available to Secretary of State**
- (1) This section applies during the period for which a declaration under section 17 has effect.

- (2) *The Secretary of State may give, or agree to give, financial assistance to agricultural producers in England whose incomes are being, or are likely to be, adversely affected by the exceptional market conditions described in the declaration.*
- (3) The Secretary of State may also make such use as the Secretary of State considers appropriate of any available powers under retained direct EU legislation which provides for the operation of public intervention and aid for private storage mechanisms, in response to a declaration under section 17. 5
- (4) Financial assistance under subsection (2) may be given by way of grant, loan, guarantee or in any other form.
- (5) The financial assistance may be given subject to such conditions as the Secretary of State considers appropriate. 10
- (6) The conditions may (among other things) include provision under which the financial assistance is to be repaid or otherwise made good (with or without interest).
- (7) Nothing in subsection (1) or (2) prevents the Secretary of State from giving, or agreeing to give, financial assistance under subsection (2) – 15
- (a) after the end of the period for which the declaration has effect, but
  - (b) in response to an application duly made during that period.

*Retained direct EU legislation relating to public market intervention and private storage aid*

- 19 Modification in connection with exceptional market conditions and for general purposes** 20
- (1) *The Secretary of State may by regulations modify retained direct EU legislation relating to public market intervention or aid for private storage, for the purpose of altering the operation of provisions of such legislation, so far as they have effect in relation to England in connection with exceptional market conditions which are the subject of a declaration under section 17.* 25
- (2) The Secretary of State may by regulations modify retained direct EU legislation relating to public market intervention or aid for private storage, for either or both of the following purposes –
- (a) securing that provisions of such legislation cease to have effect in relation to England, otherwise than in connection with exceptional market conditions which are the subject of a declaration under section 17; 30
  - (b) altering the operation of provisions of such legislation, so far as they have effect in relation to England otherwise than in connection with such market conditions (pending the achievement of the purpose in paragraph (a) in relation to those provisions). 35
- (3) Regulations under this section are subject to negative resolution procedure.
- (4) In this section “retained direct EU legislation relating to public market intervention or aid for private storage” includes – 40
- (a) Articles 8 to 18 of the CMO Regulation;
  - (b) Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products (so far as relating to public market intervention and aid for private storage); 45

- (c) the following Commission Regulations (so far as relating to public market intervention and aid for private storage) –
  - (i) Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing the CMO Regulation with regard to public intervention and aid for private storage; 5
  - (ii) Commission Implementing Regulation (EU) 2016/1240 of 18 May 2016 laying down rules for the application of the CMO Regulation with regard to public intervention and aid for private storage;
  - (iii) Commission Delegated Regulation (EU) 2017/1182 of 20 April 2017 supplementing the CMO Regulation as regards the Union scales for the classification of beef, pig and sheep carcasses and as regards the reporting of market prices of certain categories of carcasses and live animals. 10

**PART 5** 15

MARKETING STANDARDS AND CARCASS CLASSIFICATION

**20 Marketing standards and carcass classification**

- (1) The Secretary of State may by regulations, in relation to products that –
  - (a) fall within a sector listed in Part 1 of Schedule 1, and
  - (b) are marketed in England, 20make provision about the standards with which those products must conform (“marketing standards”).
- (2) The regulations may cover matters such as –
  - (a) technical definitions, designation and sales descriptions;
  - (b) classification criteria such as grading into classes, weight, sizing, age and category; 25
  - (c) the species, plant variety or animal breed or the commercial type;
  - (d) the presentation, labelling, packaging, rules to be applied in relation to packaging centres, marking, years of harvesting and use of specific terms; 30
  - (e) criteria such as appearance, consistency, conformation, product characteristics and the percentage of water content;
  - (f) specific substances used in production, or components or constituents, including their quantitative content, purity and identification;
  - (g) the type of farming and production method, including oenological practices; 35
  - (h) coupage of must and wine (including definitions of those terms), blending and restrictions thereof;
  - (i) the frequency of collection, delivery, preservation and handling, the conservation method and temperature, storage and transport; 40
  - (j) the place of farming or origin, excluding poultrymeat and spreadable fats;
  - (k) restrictions as regards the use of certain substances and practices;
  - (l) specific use of products;
  - (m) the conditions governing the disposal, the holding, circulation and use of products not in conformity with the marketing standards, and the disposal of by-products; 45

- (n) the use of terms communicating value-added characteristics or attributes.
- (3) The Secretary of State may by regulations make provision about the classification, identification and presentation of bovine, pig and sheep carcasses by slaughterhouses in England. 5
- (4) Regulations under subsection (1) or (3) may include provision about enforcement, which may (among other things) include provision—
- (a) about the provision of information;
  - (b) conferring powers of entry;
  - (c) conferring powers of inspection, search and seizure; 10
  - (d) about the keeping of records;
  - (e) imposing monetary penalties;
  - (f) creating offences;
  - (g) about appeals;
  - (h) conferring functions (including functions involving the exercise of a discretion) on a person. 15
- (5) Regulations under this section are subject to affirmative resolution procedure.

## 21 Power to reproduce modifications under section 20 for wine sector

- (1) The Secretary of State may by regulations modify Annex 7 of the CMO Regulation as it applies for the purposes of Section 2 of Chapter 1 of Title 2 of that Regulation (designations of origin, geographical indications and traditional terms in the wine sector), so as to reproduce any modifications to that Annex made by regulations under section 20(1). 20
- (2) Regulations under this section are subject to negative resolution procedure.

## PART 6 25

### PRODUCER ORGANISATIONS AND FAIRNESS IN THE SUPPLY CHAIN

#### *Producer organisations*

## 22 Producer and interbranch organisations etc: application for recognition

- (1) An organisation of agricultural producers that meets the conditions in subsection (2) may apply to the Secretary of State to become a recognised producer organisation. 30
- (2) The conditions are—
- (a) that the organisation is made up of producers all operating in a single agricultural sector (its “members”);
  - (b) that the organisation was formed on the initiative of one or more of its members; 35
  - (c) that the organisation has a specified minimum number of members, or its members have a specified minimum production, or both;
  - (d) that the organisation is a body corporate or other body having legal personality, or is a clearly defined part of such a body; 40
  - (e) that the constitution of the organisation meets specified requirements;

- (f) that the organisation carries out, on behalf of its members, one or more specified activities;
  - (g) that the organisation does not engage in specified prohibited activities.
- (3) An association of recognised producer organisations that meets the conditions in subsection (4) may apply to the Secretary of State to become a recognised association of producer organisations. 5
- (4) The conditions are –
  - (a) that the association is made up of recognised producer organisations all operating in a single agricultural sector (its “members”);
  - (b) that the association was formed on the initiative of one or more of its members. 10
- (5) An organisation of agricultural businesses that meets the conditions in subsection (6) may apply to the Secretary of State to become a recognised interbranch organisation in a particular agricultural sector (the “relevant sector”). 15
- (6) The conditions are –
  - (a) that the organisation is made up of businesses all operating in one or more agricultural sectors (its “members”);
  - (b) that the organisation has –
    - (i) at least one member which is an agricultural producer in the relevant sector, and
    - (ii) at least one member which is involved in the processing or distribution of agricultural products in the relevant sector; 20
  - (c) that the organisation was formed on the initiative of one or more of its members; 25
  - (d) that the organisation has a specified minimum number of members, or its members who are agricultural producers have a specified minimum production in the relevant sector, or both;
  - (e) that the organisation carries out, on behalf of its members, one or more specified activities; 30
  - (f) that the organisation does not engage in specified prohibited activities.
- (7) The Secretary of State may by regulations set out additional conditions that an organisation of agricultural producers, an association of recognised producer organisations or an organisation of agricultural businesses must meet in order to be able to make an application under this section. 35
- (8) The Secretary of State must by regulations specify the time period within which an application under subsection (1), (3) or (5) must be determined.
- (9) The Secretary of State must notify a decision on whether to grant an application to –
  - (a) the applicant, and
  - (b) the Competition and Markets Authority, 40and, in the case of a decision to grant an application, must publish the decision online.
- (10) The Secretary of State may by regulations make further provision about applications under this section, such as provision about –
  - (a) the evidence to be supplied with an application;
  - (b) the factors to be taken into account in deciding an application; 45

- (c) time periods and deadlines;
  - (d) application fees;
  - (e) reviews and appeals.
- (11) In this section –
- “agricultural sector” means a sector listed in Part 2 of Schedule 1; 5
  - “specified” means specified in regulations made by the Secretary of State.
- 23 Recognised organisations: competition exemptions and further provision**
- (1) Schedule 2 amends Schedule 3 to the Competition Act 1998 (general exclusions) so as to exclude agreements between members of recognised organisations from the Chapter 1 prohibition. 10
- (2) The Secretary of State may by regulations make further provision about recognised organisations.
- (3) The type of provision that may be made in the regulations includes –
- (a) ongoing requirements with which a recognised organisation must comply; 15
  - (b) provision about the monitoring and enforcement of those requirements.
- (4) Provision made by virtue of subsection (3) may (among other things) include provision –
- (a) about the provision of information; 20
  - (b) about the keeping of records;
  - (c) about the suspension or withdrawal of recognition;
  - (d) imposing monetary penalties;
  - (e) about appeals;
  - (f) conferring functions (including functions involving the exercise of a discretion) on a person. 25
- (5) The regulations may also include provision about the extent to which, and the circumstances in which, recognised organisations may delegate certain functions, which may include a procedure requiring that an organisation request permission from the Secretary of State. 30
- (6) In this section, “recognised organisation” means –
- (a) a recognised producer organisation,
  - (b) a recognised association of producer organisations, or
  - (c) a recognised interbranch organisation.
- 24 Regulations under sections 22 and 23** 35
- (1) The power to make regulations under sections 22 and 23 includes power to make provision allowing the Secretary of State to delegate functions, including the function of deciding applications for recognition under section 22.
- (2) Regulations under sections 22 and 23 may provide for exceptions or additional provision relating to a specified agricultural sector (“sector-specific provision”), including providing exceptions to the conditions in section 22 or imposing additional conditions for recognition, if the Secretary of State is satisfied that – 40

- (a) there is a need for sector-specific provision due to market conditions or other circumstances creating adverse effects on agricultural producers in that sector, and
  - (b) the sector-specific provision is appropriate to remedy or mitigate the adverse effects. 5
- (3) Regulations under sections 22 and 23 are subject to negative resolution procedure, unless the regulations contain new sector-specific provision.
- (4) Regulations under sections 22 and 23 which contain new sector-specific provision are subject to affirmative resolution procedure.
- (5) Before making regulations containing new sector-specific provision, the Secretary of State must consult persons who are representative of the sector to which the regulations will apply, or who may otherwise be affected by the sector-specific provision. 10
- (6) In this section –
- “agricultural sector” means a sector listed in Part 2 of Schedule 1; 15
  - “new sector-specific provision” means sector-specific provision that did not apply by virtue of any retained direct EU legislation immediately before this section came into force.

*Fair dealing with agricultural producers*

- 25 Fair dealing obligations of first purchasers of agricultural products 20**
- (1) The Secretary of State may make regulations in accordance with this section for the purpose of promoting fair contractual dealing by the first purchasers of agricultural products.
- (2) The regulations are to impose obligations on the first purchasers of agricultural products in relation to contracts they make for the purchase of agricultural products from producers. 25
- (3) The kinds of obligations that may be imposed under the regulations in relation to a contract are –
- (a) obligations to contract in writing;
  - (b) obligations to include in the contract terms dealing with specified matters, or not to include such terms; 30
  - (c) where terms dealing with specified matters are included in the contract (whether or not further to paragraph (b)) –
    - (i) obligations relating to the provision that must be made by those terms; 35
    - (ii) obligations to comply with specified principles and practices as to the provision that should be made by those terms.
- (4) The following are examples of the matters that may be specified under subsection (3)(b) and (c) –
- (a) the quantity and quality of products to be purchased; 40
  - (b) how products are to be provided (including timing of deliveries);
  - (c) pricing mechanisms (including mechanisms for adjustments, premiums and deductions);
  - (d) payment (including timing and method of payments);
  - (e) charges for processing products; 45

- 
- (f) exclusivity of contractual dealing;
  - (g) the provision of information between the parties;
  - (h) variation of a contract (including notice periods for variation and retrospective variations);
  - (i) duration and termination of a contract. 5
- (5) The regulations may make provision for the enforcement of compliance with the obligations they impose, including provision –
- (a) for complaints relating to alleged non-compliance to be referred to a specified person;
  - (b) as to how those complaints are to be investigated and how an allegation of non-compliance is to be determined; 10
  - (c) in the event of a determination of non-compliance, for the imposition of civil penalties, or a requirement to pay compensation, on a first purchaser of agricultural products;
  - (d) for appeals against such penalties or requirements. 15
- (6) Regulations under subsection (5) may –
- (a) confer functions on any person;
  - (b) provide for a person to exercise a discretion in dealing with any matter.
- (7) Regulations under this section may revoke Articles 148, 149 and 168 of the CMO Regulation. 20
- (8) Regulations under this section containing provision under subsection (3)(c) are subject to affirmative resolution procedure.
- (9) Other regulations under this section are subject to negative resolution procedure.
- (10) In this section – 25
- “agricultural product” means a product that falls within a sector listed in Part 2 of Schedule 1;
  - “first purchasers of agricultural products” means persons who in the course of a business purchase agricultural products from producers;
  - “producer” includes a producer outside the United Kingdom; 30
  - “specified” means specified in regulations under this section.

## PART 7

### WTO AGREEMENT ON AGRICULTURE

#### 26 WTO Agreement on Agriculture: regulations

- (1) The Secretary of State may make regulations for the purpose of securing compliance by the United Kingdom with the Agreement on Agriculture. 35
- (2) Regulations under subsection (1) may make provision about the classification of domestic support for the purposes of the Agreement on Agriculture, including provision setting out –
  - (a) a process for the appropriate authorities to decide how different types of domestic support should be classified (including reviewing and amending existing classifications); 40
  - (b) a process for the resolution of disputes between the appropriate authorities regarding the classification of domestic support, which may

- include provision making the Secretary of State the final arbiter on any decision on classification.
- (3) Regulations under subsection (1) may also make provision about levels of domestic support, including provision setting out –
- (a) the total amount of domestic support allowable to the United Kingdom under the Agreement on Agriculture; 5
  - (b) a limit on the amount of domestic support that may be given by all of the appropriate authorities combined (which may be less than the amount mentioned in paragraph (a));
  - (c) individual limits on the amount of domestic support that may be given by each appropriate authority in England, Wales, Scotland and Northern Ireland. 10
- (4) Regulations setting a limit under subsection (3) may –
- (a) set different limits for different appropriate authorities;
  - (b) set different limits for different classes of domestic support; 15
  - (c) define the limits by way of a monetary amount or, in the case of a limit under subsection (3)(c), a percentage of the amount referred to in subsection (3)(a) or (b), or in any other way the Secretary of State considers appropriate.
- (5) When considering the limits to set out in the regulations, the matters that the Secretary of State may take into account include –
- (a) domestic support that is or may need to be given across the whole of the United Kingdom;
  - (b) domestic support that may be given in any territory which counts towards the amount mentioned in subsection (3)(a). 20 25
- (6) Regulations under subsection (1) may also make provision requiring a devolved authority to provide information to the Secretary of State, including provision –
- (a) setting out or describing information that is required on a regular basis for the purposes of – 30
    - (i) classifying domestic support;
    - (ii) enabling the United Kingdom to comply with requirements imposed by the Agreement on Agriculture;
  - (b) giving the Secretary of State a power to require a devolved authority to provide other information for the purposes of – 35
    - (i) classifying domestic support (or resolving a dispute about its classification);
    - (ii) enabling the United Kingdom to comply with requirements imposed by the Agreement on Agriculture;
    - (iii) resolving a dispute with another party to the Agreement on Agriculture; 40
    - (iv) supporting or informing negotiations with other parties relating to the Agreement on Agriculture;
  - (c) setting out the time periods within which information must be provided. 45
- (7) The power to make regulations under this section includes the power to –
- (a) confer functions on a person other than the Secretary of State;
  - (b) provide for the Secretary of State to delegate functions;

- (c) provide for a person to exercise a discretion in dealing with any matter.
- (8) Regulations under this section are subject to affirmative resolution procedure.
- (9) In this section –
- “the Agreement on Agriculture” means the Agreement on Agriculture, part of Annex 1A to the WTO Agreement (as modified from time to time); 5
  - “appropriate authority” means –
    - (a) the Secretary of State, or
    - (b) a devolved authority;
  - “devolved authority” means – 10
    - (a) the Scottish Ministers,
    - (b) the Welsh Ministers, or
    - (c) a Northern Ireland Department;
  - “domestic support” means subsidies or other financial support given to agricultural producers; 15
  - “the WTO Agreement” means the agreement establishing the World Trade Organisation signed at Marrakesh on 15 April 1994.

## PART 8

### WALES AND NORTHERN IRELAND

- 27 Wales** 20
- Schedule 3 makes provision in relation to Wales.
- 28 Northern Ireland**
- Schedule 4 makes provision in relation to Northern Ireland.

## PART 9

### FINAL PROVISIONS 25

- 29 Regulations**
- (1) Subject to subsection (2), any power to make regulations under this Act is exercisable by statutory instrument.
  - (2) A power conferred on the Department of Agriculture, Environment and Rural Affairs in Northern Ireland to make regulations under this Act is exercisable by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 (S.I. 1979/1573 (N.I. 12)). 30
  - (3) Any power to make regulations under this Act includes power –
    - (a) to make provision binding the Crown;
    - (b) to make different provision for different purposes; 35
    - (c) to make supplementary, incidental, consequential, transitional or saving provision.

- (4) The provision which may be made by virtue of subsection (3)(c) includes provision modifying primary legislation, retained direct EU legislation or subordinate legislation.
- (5) Regulations under this Act creating offences may not provide for an offence created by the regulations to be punishable with imprisonment for a period exceeding— 5
- (a) in the case of conviction on indictment, 2 years;
  - (b) in the case of summary conviction, 3 months.
- (6) Where regulations under this Act are subject to affirmative resolution procedure, the regulations— 10
- (a) if made by the Secretary of State, may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament;
  - (b) if made by the Welsh Ministers, may not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, the National Assembly for Wales; 15
  - (c) if made by the Department of Agriculture, Environment and Rural Affairs in Northern Ireland, may not be made unless a draft of the regulations has been laid before, and approved by a resolution of, the Northern Ireland Assembly. 20
- (7) Where regulations under this Act are subject to negative resolution procedure—
- (a) if made by the Secretary of State, the statutory instrument containing them is subject to annulment in pursuance of a resolution of either House of Parliament; 25
  - (b) if made by the Welsh Ministers, the statutory instrument containing them is subject to annulment in pursuance of a resolution of the National Assembly for Wales;
  - (c) if made by the Department of Agriculture, Environment and Rural Affairs in Northern Ireland, the regulations are subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954. 30
- (8) Any provision that may be made by regulations under this Act subject to negative resolution procedure may be made in regulations subject to affirmative resolution procedure. 35
- (9) This section does not apply to regulations under section 35.

### 30 Interpretation

In this Act—

“the CMO Regulation” means Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products; 40

“modify” includes amend, revoke and repeal (and related expressions are to be construed accordingly);

“primary legislation” means— 45

- (a) an Act of Parliament;
- (b) an Act of the Scottish Parliament;

- (c) a Measure or Act of the National Assembly for Wales;
  - (d) Northern Ireland legislation;
- “subordinate legislation” has the same meaning as in the Interpretation Act 1978.

<b>31</b>	<b>Consequential amendments</b>	5
	Schedule 5 amends the CMO Regulation in consequence of –	
	(a) Part 4 (intervention in agricultural markets: England);	
	(b) Part 4 of Schedule 3 (intervention in agricultural markets: Wales);	
	(c) Part 3 of Schedule 4 (intervention in agricultural markets: Northern Ireland);	10
	(d) Part 5 (marketing standards and carcass classification: England);	
	(e) Part 5 of Schedule 3 (marketing standards and carcass classification: Wales);	
	(f) Part 4 of Schedule 4 (marketing standards and carcass classification: Northern Ireland).	15
<b>32</b>	<b>Power to make consequential etc provision</b>	
	(1) The Secretary of State may by regulations make consequential, supplemental, transitional or transitory provision or savings in connection with any provision of this Act.	
	(2) Regulations under this section may modify primary legislation, retained direct EU legislation or subordinate legislation.	20
	(3) Regulations under this section which contain provision modifying primary legislation (with or without other provision) are subject to affirmative resolution procedure.	
	(4) Other regulations under this section are subject to negative resolution procedure.	25
<b>33</b>	<b>Financial provision</b>	
	<i>There is to be paid out of money provided by Parliament –</i>	
	(a) <i>sums required for –</i>	
	(i) <i>giving financial assistance under section 1(1) or (2) or 18(2);</i>	30
	(ii) <i>making delinked payments under provision made by regulations under section 7(1)(b);</i>	
	(iii) <i>operating the public market intervention or aid for private storage mechanisms under retained direct EU legislation in response to a declaration under section 17;</i>	35
	(b) <i>administrative expenses incurred by the Secretary of State by virtue of this Act;</i>	
	(c) <i>any increase attributable to this Act in amounts payable out of money provided by Parliament by virtue of any other Act.</i>	
<b>34</b>	<b>Extent</b>	40
	(1) The following provisions of this Act extend to England and Wales only –	
	(a) Part 1;	

- (b) Part 3;
- (c) sections 17 and 18;
- (d) section 20;
- (e) in Schedule 1 –
  - (i) Part 1; 5
  - (ii) Part 3 so far as relating to Part 1 of the Schedule;
- (f) in Schedule 3 –
  - (i) Part 1;
  - (ii) Part 3;
  - (iii) paragraphs 16 and 17; 10
  - (iv) Part 5.
- (2) The following provisions in Schedule 4 extend to Northern Ireland only –
  - (a) Part 2;
  - (b) paragraph 10;
  - (c) Part 4. 15
- (3) Otherwise, this Act extends to England and Wales, Scotland and Northern Ireland.

### 35 Commencement

- (1) This Part, apart from section 31 and Schedule 5, comes into force on the day on which this Act is passed. 20
- (2) Sections 22 to 24 and Schedule 2 (producer organisations) come into force on such day as the Secretary of State may by regulations made by statutory instrument appoint.
- (3) Different days may be appointed for different purposes.
- (4) Section 31 and Schedule 5 (consequential amendments to the CMO Regulation) come into force – 25
  - (a) at the end of the period of two months beginning with the day on which this Act is passed, or
  - (b) if later, on exit day.
- (5) The other provisions of this Act come into force at the end of the period of two months beginning with the day on which this Act is passed. 30

### 36 Short title

This Act may be cited as the Agriculture Act 2018.

## SCHEDULES

## SCHEDULE 1

Sections 20, 22, 24 and 25

## AGRICULTURAL PRODUCTS: SECTORS

## PART 1

AGRICULTURAL SECTORS RELEVANT TO MARKETING STANDARDS PROVISIONS	5
Milk and milk products intended for human consumption.	
Spreadable fats intended for human consumption.	
Beef and veal.	
Poultrymeat.	
Eggs.	10
Fruit and vegetables.	
Processed fruit and vegetable products.	
Bananas.	
Hops.	
Wine.	15
Aromatised wine.	
Olive oil and table olives.	
Live plants.	

## PART 2

AGRICULTURAL SECTORS RELEVANT TO PRODUCER ORGANISATION AND FAIR DEALING PROVISIONS	20
Milk and milk products.	
Beef and beef products.	
Sheepmeat and goatmeat.	
Pigmeat.	25
Poultrymeat.	
Eggs.	

Cereals.	
Fruit and vegetables.	
Processed fruit and vegetable products.	
Sugar.	
Seeds.	5
Hops.	
Wine.	
Apiculture products.	
Other plants.	

PART 3 10

REGULATIONS

1	(1) The Secretary of State may make regulations –	
	(a) amending Part 1 or 2 of this Schedule so as to add or remove an agricultural sector;	
	(b) setting out products that fall within each sector, or otherwise giving further detail on the sectors.	15
	(2) Regulations under this paragraph are subject to negative resolution procedure.	

SCHEDULE 2

Section 23

RECOGNISED ORGANISATIONS: COMPETITION EXCLUSIONS 20

1	Schedule 3 to the Competition Act 1998 (general exclusions) is amended as follows.	
2	(1) Paragraph 9 (agricultural products) is amended as follows.	
	(2) For sub-paragraph (1) substitute –	
	“(1) The Chapter 1 prohibition does not apply to an agreement to the extent that it is an agreement between the members of –	25
	(a) a recognised producer organisation (“PO”), or	
	(b) a recognised association of producer organisations (“APO”),	
	for the PO or APO (as the case may be) to carry out one or more of the activities mentioned in sub-paragraph (1A) on behalf of its members (for all or part of their total production), provided that Conditions A and B are also met.	30
	This exclusion is referred to in this paragraph as the “RPO exclusion”.	35
	(1A) The activities are –	
	(a) planning production;	

- 
- (b) optimising production costs;
  - (c) concentrating supply;
  - (d) placing products on the market;
  - (e) negotiating supply contracts.
- (1B) Condition A is that – 5
- (a) in the case of a PO, the PO concentrates supply and places the products of its members on the market, whether or not there is a transfer of ownership of agricultural products by the producers to the PO, or
  - (b) in the case of an APO, the APO concentrates supply and places the products of the members of the POs it represents on the market, whether or not there is a transfer of ownership of agricultural products by the producers to the APO or to any of the POs the APO represents. 10
- (1C) Condition B is that – 15
- (a) in the case of a PO, none of the producers concerned are members of any other PO as regards the products covered by the activities mentioned in sub-paragraph (1A) to which the agreement relates, or
  - (b) in the case of an APO, none of the producers concerned are members of a PO that is a member of any other APO as regards the products covered by the activities mentioned in sub-paragraph (1A) to which the agreement relates. 20
- (1D) But the Secretary of State may decide that the RPO exclusion applies if Condition B is not met, if – 25
- (a) every producer which is a member of more than one PO holds distinct production units located in different geographical areas, and
  - (b) the Secretary of State considers that it is appropriate in all the circumstances for the RPO exclusion to apply. 30
- (1E) If the Secretary of State is considering whether to make a decision under sub-paragraph (1D), the Secretary of State may by notice in writing require any party to the agreement in question to give the Secretary of State such information in connection with the agreement as the Secretary of State may require.” 35
- (3) Omit sub-paragraph (2).
- (4) In sub-paragraph (3), for “agriculture exclusion” substitute “RPO exclusion”.
- (5) For sub-paragraph (9) substitute –
- “(9) In this paragraph – 40
- “agricultural product” means a product that falls within a sector mentioned in Part 2 of Schedule 1 to the Agriculture Act 2018;
  - “recognised association of producer organisations” means an association recognised under section 22 of that Act; 45
  - “recognised producer organisation” means a producer organisation recognised under section 22 of that Act.”

3 After paragraph 9, insert –

- “10 (1) The Chapter 1 prohibition does not apply to an agreement to the extent that it is an agreement between the members of a recognised interbranch organisation that has the object of carrying out one or more specified activities in relation to the agricultural sector for which it is recognised, provided that the condition in sub-paragraph (2) is also met. This exclusion is referred to in this paragraph as the “RIBO exclusion”. 5
- (2) The condition in this sub-paragraph is that the organisation has notified the agreement to the CMA and provided all further details required by the CMA, and – 10
- (a) the CMA has decided that it is appropriate for the RIBO exclusion to apply, or
- (b) within two months of the CMA receiving all the details it requires, the CMA has not decided that it is inappropriate for the RIBO exclusion to apply. 15
- (3) In deciding whether it is appropriate for the RIBO exclusion to apply, the CMA must consider whether the benefit of the agreement to the specified activities of the recognised interbranch organisation outweighs any prevention, restriction or distortion of competition within the United Kingdom as a result of the agreement. 20
- (4) The CMA may at any time give a direction to the effect that the RIBO exclusion no longer applies to a particular agreement. 25
- (5) Sub-paragraphs (4) to (8) of paragraph 9 apply to a direction under this paragraph as they apply to a direction under paragraph 9.
- (6) In this paragraph – 30
- “recognised interbranch organisation” means an organisation of agricultural businesses recognised under section 22 of the Agriculture Act 2018;
- “specified activities” means the activities specified in regulations under section 22(6)(e) of that Act.”

SCHEDULE 3

Section 27

PROVISION RELATING TO WALES

35

PART 1

NEW FINANCIAL ASSISTANCE POWERS

*Welsh Ministers’ powers to give financial assistance*

- 1 (1) The Welsh Ministers may give financial assistance for or in connection with any of the following purposes – 40
- (a) managing land or water in a way that protects or improves the environment;

- 
- (b) supporting public access to and enjoyment of the countryside, farmland or woodland and better understanding of the environment;
- (c) managing land or water in a way that maintains, restores or enhances cultural heritage or natural heritage; 5
- (d) mitigating or adapting to climate change;
- (e) preventing, reducing or protecting from environmental hazards;
- (f) protecting or improving the health or welfare of livestock;
- (g) protecting or improving the health of plants.
- (2) The Welsh Ministers may also give financial assistance for or in connection with any of the following purposes – 10
- (a) supporting businesses or communities in rural areas;
- (b) starting, or improving the productivity of, an agricultural, horticultural or forestry activity;
- (c) supporting persons who are involved in the production, processing, marketing or distribution of products deriving from an agricultural, horticultural or forestry activity. 15
- (3) Financial assistance may only be given in relation to Wales.
- (4) For the purposes of this paragraph – 20
- “improving productivity”, in relation to carrying on an activity, includes –
- (a) improving the quality of any products deriving from the activity, and
- (b) improving the efficiency of the activity in terms of the resources used in, or in connection with, it; 25
- “livestock” includes any creature kept for the production of food, drink, oils, fibres or leathers, or for the purpose of its use in the farming of land.
- (5) In this Part “financial assistance” means financial assistance under this paragraph. 30
- 2 (1) Financial assistance may be given by way of grant, loan, guarantee or in any other form.
- (2) Financial assistance may be given subject to such conditions as the Welsh Ministers consider appropriate.
- (3) The conditions may (among other things) include provision under which the financial assistance is to be repaid or otherwise made good (with or without interest). 35
- (4) Financial assistance may be given to a person in connection with a scheme made or operated by that person for the giving of financial support for any one or more of the purposes in paragraph 1(1) and (2). 40
- (5) The Welsh Ministers may delegate functions relating to the giving of financial assistance to any other person.
- (6) Functions delegated under sub-paragraph (5) may include –
- (a) the giving of guidance;
- (b) the exercise of a discretion. 45

- (7) The Welsh Ministers may by regulations make provision for or in connection with requiring the Welsh Ministers or another person to publish specified information about financial assistance which has been given.
- (8) Information which may be specified includes information about –
- (a) the recipient of the financial assistance; 5
  - (b) the amount of the financial assistance;
  - (c) the purpose for which the financial assistance was given.
- (9) Regulations under sub-paragraph (7) are subject to affirmative resolution procedure.
- (10) In this paragraph, “specified” means specified by regulations under sub-paragraph (7). 10

*Financial assistance: checking, enforcing and monitoring*

- 3 (1) The Welsh Ministers may by regulations make provision for or in connection with –
- (a) checking whether eligibility criteria for receipt of financial assistance are met and the consequences, where financial assistance has already been given, if not; 15
  - (b) enforcing compliance with conditions subject to which financial assistance is given;
  - (c) monitoring the extent to which the purpose of the financial assistance has been achieved. 20
- (2) Regulations under sub-paragraph (1) may (among other things) include provision –
- (a) about the provision of information;
  - (b) conferring powers of entry; 25
  - (c) conferring powers of inspection;
  - (d) about the process for determining if eligibility criteria, or conditions subject to which financial assistance is given, are met;
  - (e) about the keeping of records;
  - (f) about the recovery or withholding of all or any part of financial assistance; 30
  - (g) imposing monetary penalties;
  - (h) creating offences;
  - (i) prohibiting a person from receiving financial assistance for a period or until conditions specified in, or determined under, the regulations are satisfied; 35
  - (j) about appeals;
  - (k) conferring functions (including functions involving the exercise of a discretion) on a person.
- (3) Regulations under this paragraph are subject to affirmative resolution procedure. 40

PART 2

FINANCIAL SUPPORT AFTER EXITING THE EU

*Direct payments: interpretation*

- |   |                                                                                                                                                                                                                                                                                                                  |    |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 4 | (1) This paragraph defines or explains expressions used in this paragraph and paragraphs 5 to 8.                                                                                                                                                                                                                 | 5  |
|   | (2) The “basic payment scheme” is the Basic Payment Scheme under the Direct Payments Regulation (see Title III of that Regulation), as it operates in relation to Wales, including the arrangements relating to each of the following elements of direct payments under that scheme –                            |    |
|   | (a) so much of a direct payment that does not consist of a redistributive, greening or young farmers payment (see Chapter 1 of Title III),                                                                                                                                                                       | 10 |
|   | (b) a redistributive payment (see Chapter 2 of Title III),                                                                                                                                                                                                                                                       |    |
|   | (c) a greening payment (see Chapter 3 of Title III), and                                                                                                                                                                                                                                                         |    |
|   | (d) a young farmers payment (see article 50 of that Regulation).                                                                                                                                                                                                                                                 |    |
|   | (3) The “legislation governing the basic payment scheme” is –                                                                                                                                                                                                                                                    | 15 |
|   | (a) the following retained direct EU legislation –                                                                                                                                                                                                                                                               |    |
|   | (i) the Direct Payments Regulation,                                                                                                                                                                                                                                                                              |    |
|   | (ii) any Council Delegated Regulation, or Commission Delegated Regulation, made under the Direct Payments Regulation,                                                                                                                                                                                            | 20 |
|   | (iii) any other retained direct EU legislation which relates to the operation of the basic payment scheme; and                                                                                                                                                                                                   |    |
|   | (b) any subordinate legislation relating to retained direct EU legislation falling within paragraph (a).                                                                                                                                                                                                         |    |
|   | (4) “Direct payment” means –                                                                                                                                                                                                                                                                                     | 25 |
|   | (a) a payment under the basic payment scheme (whether or not including a redistributive payment, a greening payment or a young farmers payment), or                                                                                                                                                              |    |
|   | (b) a delinked payment.                                                                                                                                                                                                                                                                                          |    |
|   | (5) The “agricultural transition period for Wales” is the period for the time being specified in paragraph 5(1).                                                                                                                                                                                                 | 30 |
|   | (6) “Delinked payment”, except in sub-paragraphs (1) and (2) of paragraph 7, means a payment under regulations under paragraph 7 made by virtue of those sub-paragraphs.                                                                                                                                         |    |
|   | (7) The “Direct Payments Regulation” is Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.                                           | 35 |
|   | (8) “Phasing out”, in relation to direct payments, means taking steps to secure that, at least once during the period in which the phasing out takes place prior to the termination of those payments, there are reductions in the amounts paid out to some or all of those entitled to receive direct payments. | 40 |

*The agricultural transition period for Wales*

- 5 (1) The agricultural transition period for Wales is the period of seven years starting with 2021.
- (2) The Welsh Ministers may by regulations amend sub-paragraph (1) for the purpose of extending the period specified in that sub-paragraph. 5
- (3) The power under sub-paragraph (2) may be exercised more than once (but may not be exercised if the agricultural transition period for Wales has already ended).
- (4) Regulations under this paragraph are subject to affirmative resolution procedure. 10

*Power to modify legislation governing the basic payment system*

- 6 (1) The Welsh Ministers may by regulations modify legislation governing the basic payment scheme for or in connection with making changes the Welsh Ministers consider will simplify or improve the scheme (so far as it operates in relation to Wales). 15
- (2) The provision which may be made under sub-paragraph (1) includes provision made for or in connection with terminating greening payments in relation to Wales before the end of the agricultural transition period for Wales.
- (3) Regulations under this paragraph are subject to negative resolution procedure. 20

*Power to provide for phasing out direct payments and delinked payments*

- 7 (1) The Welsh Ministers may by regulations make provision for or in connection with either or both of the following – 25
- (a) phasing out direct payments under the basic payment scheme in relation to Wales over the whole or part of the agricultural transition period for Wales;
- (b) terminating direct payments under that scheme in relation to Wales and instead making delinked payments in relation to Wales in respect of the whole or part of the agricultural transition period for Wales. 30
- (2) For this purpose a delinked payment is a payment, with respect to a year, which is made in accordance with the regulations to a person who is under the regulations entitled to receive it.
- (3) Regulations making provision under sub-paragraph (1)(b) must – 35
- (a) specify the first year within the agricultural transition period for Wales in respect of which delinked payments are to be made (“the first delinked year”),
- (b) provide that after the end of the year preceding the first delinked year no payments are to be made under the basic payment scheme in relation to Wales otherwise than in respect of that preceding year (or an earlier year), 40
- (c) specify the descriptions of person who, in respect of a year, are entitled to receive a delinked payment (whether or not they are

- required by the regulations to make an application before anything becomes payable), and
- (d) make provision setting out rules for determining the amount of the delinked payment to be made to an entitled person with respect to any year. 5
- (4) A description of persons specified under sub-paragraph(3)(c) may (but need not) be framed by reference to whether they were entitled to a direct payment under the basic payment scheme in respect of a specific year (or one of several specific years) prior to the first delinked year.
- (5) Rules set out under sub-paragraph (3)(d) for determining the amount of any delinked payment to be made to a person may (but need not) be framed by reference to the amount of a direct payment to which the person was entitled, or, if specific assumptions are made would have been entitled, under the basic payment scheme. 10
- (6) Regulations under sub-paragraph (1)(b) may make provision – 15
- (a) for a person who makes a request in accordance with the regulations to cease to be regarded as a person entitled to receive delinked payments in relation to Wales,
- (b) for other circumstances in which a person ceases to be an entitled person in relation to Wales, and 20
- (c) for the repayment (with or without interest) of any amount paid as a delinked payment to which the recipient was not entitled.
- (7) Regulations under this paragraph may make provision for or in connection with the payment of a lump sum (at the request of a person entitled to direct payments) in lieu of any direct payments to which that person would otherwise be entitled with respect to two or more years of the agricultural transition period for Wales. 25
- (8) If provision for terminating greening payments is made under paragraph 6(2) above, then sub-paragraph (1) above has effect as if the references to direct payments do not include the greening payment element of direct payments. 30
- (9) Regulations under this paragraph are subject to affirmative resolution procedure.

*Termination of direct payments*

- 8 (1) After the end of the agricultural transition period for Wales no direct payments are to be made under the basic payment scheme in relation to Wales otherwise than in respect of the last year of that period (or an earlier year). 35
- (2) If provision for delinked payments is made in regulations under paragraph 7(1)(b) – 40
- (a) sub-paragraph (1) above does not apply, and
- (b) no delinked payments in relation to Wales are to be made after the end of the agricultural transition period for Wales otherwise than in respect of the last year of that period (or an earlier year).

*Other financial support: modification in relation to Wales of general provision connected with payments to farmers and other beneficiaries*

- 9 (1) The Welsh Ministers may by regulations modify –
- (a) retained direct EU legislation relating to the financing, management and monitoring of the common agricultural policy, and 5
  - (b) subordinate legislation relating to that legislation.
- (2) Regulations under this paragraph may only be made for the purpose of –
- (a) securing that any provision of legislation referred to in sub-paragraph (1) ceases to have effect in relation to Wales, or
  - (b) simplifying or improving the operation of any provision of such legislation in relation to Wales. 10
- (3) Regulations under this paragraph may not make any provision of legislation mentioned in sub-paragraph (1) apply in relation to financial assistance under paragraph 1.
- (4) In this paragraph “retained direct EU legislation relating to the financing, management and monitoring of the common agricultural policy” includes – 15
- (a) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy,
  - (b) retained direct EU legislation made under that Regulation. 20
- (5) Regulations under this paragraph are subject to negative resolution procedure.

*Support for rural development: modification of legislation in relation to Wales*

- 10 (1) The Welsh Ministers may by regulations modify –
- (a) retained direct EU legislation relating to support for rural development, and 25
  - (b) subordinate legislation relating to that legislation.
- (2) Regulations under this paragraph may only be made for the purpose of –
- (a) securing that any provision of legislation referred to in sub-paragraph (1) ceases to have effect in relation to Wales, or 30
  - (b) simplifying or improving the operation of any provision of such legislation so far as it continues to have effect in relation to Wales (pending the achievement of the purpose in paragraph (a)).
- (3) In this paragraph “retained direct EU legislation relating to support for rural development” includes in particular – 35
- (a) Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development,
  - (b) Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development, 40
  - (c) Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development,
  - (d) so far as it relates to support for rural development, Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the 45

- Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund etc,
- (e) Council Regulation (EC) No 1257/99 of 17 May 1999 on support for rural development,
  - (f) Council Regulation (EEC) No 2080/92 of 30 June 1992 instituting a Community aid scheme for forestry measures in agriculture, 5
  - (g) Council Regulation (EEC) No 2078/92 of 30 June 1992 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside, and 10
  - (h) retained direct EU legislation made under the retained direct EU legislation in paragraphs (a) to (g).
- (4) Regulations under this paragraph are subject to negative resolution procedure.

PART 3 15

COLLECTION AND SHARING OF DATA

*Agri-food supply chains: requirement to provide information*

- 11 (1) The Welsh Ministers may require a person in, or closely connected with, an agri-food supply chain to provide information about matters connected with any of the person's activities connected with the supply chain so far as the activities are in Wales. 20
- (2) The Welsh Ministers may make regulations requiring a person in, or closely connected with, an agri-food supply chain to provide information about matters connected with any of the person's activities connected with the supply chain so far as the activities are in Wales. 25
- (3) See paragraph 12 for provision about—
- (a) the meaning of “agri-food supply chain”,
  - (b) who is in such a supply chain, and
  - (c) who is closely connected with such a supply chain.
- (4) Sub-paragraphs (1) and (2) do not apply in relation to individuals in a supply chain so far as they are in the supply chain by reason of them, or members of their households, being the ultimate consumers (see paragraph 12). 30
- (5) A requirement under sub-paragraph (1) must be in writing.
- (6) Sub-paragraph (1) binds the Crown. 35
- (7) Regulations under sub-paragraph (2) are subject to affirmative resolution procedure.
- 12 (1) This paragraph has effect for the purposes of this Part.
- (2) An “agri-food supply chain” is a supply chain for providing individuals with items of food or drink for personal consumption where the items consist of or include, or have been produced using (directly or indirectly, and whether or not exclusively), the whole or part of—
- (a) anything grown or otherwise produced in carrying on agriculture, or
  - (b) any creature kept in carrying on agriculture, or
- 40

- (c) any creature or other thing taken from the wild.
- (3) The persons in an agri-food supply chain are –
  - (a) those individuals (“the ultimate consumers”),
  - (b) the persons carrying on the agriculture or (as the case may be) taking things from the wild, and 5
  - (c) anybody in the supply chain between those persons and the ultimate consumers.
- (4) The persons “closely connected” with an agri-food supply chain are –
  - (a) anybody supplying seeds, stock, equipment, feed, fertiliser, pesticides, medicines or similar items to the persons within sub-paragraph (3)(b) for use in the agriculture or taking, 10
  - (b) anybody providing, to persons within sub-paragraph (3)(b) or (c), services related to –
    - (i) the health of creatures, or plants, involved in the supply chain, or 15
    - (ii) the safety or quality of the food or drink to be provided to the ultimate consumers,
  - (c) any person carrying on activities capable of affecting a matter mentioned in sub-paragraph (i) or (ii) of paragraph (b), and
  - (d) bodies representing persons within any of paragraphs (b) and (c) of sub-paragraph (3) and paragraphs (a), (b) and (c) of this sub-paragraph. 20
- (5) Activities of the kind mentioned in sub-paragraph (4)(c) are to be treated for the purposes of paragraph 11(1) and (2) as connected with the supply chain, but this is not to be read as limiting the generality of “connected” in paragraph 11(1) and (2). 25
- (6) In this paragraph –
  - “agriculture” includes any growing of plants, and any keeping of creatures, for the production of food or drink;
  - “plants” includes fungi; 30
  - “seeds” includes bulbs and other things from which plants grow.
- 13 (1) This paragraph applies to a requirement imposed under paragraph 11(1) or (2).
- (2) The requirement must specify the purposes for which the information may be processed. 35
- (3) Each purpose specified must be in, or covered by, the list of purposes in sub-paragraph (4).
- (4) The list of purposes is as follows –
  - (a) helping persons in agri-food supply chains to –
    - (i) increase productivity, 40
    - (ii) manage risks (including, but not limited to, financial risks, non-financial trading risks, climatic risks, and risks of or from disease or pollution), or
    - (iii) manage market volatility;
  - (b) promoting transparency or fairness in agri-food supply chains; 45
  - (c) promoting the health or traceability of creatures of a kind kept for the production of food, drink, fibres or leathers;

(d)	promoting the health of plants;	
(e)	minimising adverse environmental effects of activities connected with agri-food supply chains;	
(f)	minimising waste arising from activities connected with agri-food supply chains;	5
(g)	monitoring, or analysing, markets connected with agri-food supply chains;	
(h)	the purposes of any function of a public authority so far as it is a function relating to one or more of the following –	
	(i) agri-food supply chains,	10
	(ii) activities connected with agri-food supply chains,	
	(iii) the health of people or creatures,	
	(iv) the health or quality of plants or soil,	
	(v) the safety or quality of food or drink,	
	(vi) waste,	15
	(vii) environmental protection, or	
	(viii) the countryside.	
(5)	In sub-paragraph (4) –	
	“plants” includes fungi;	
	“public authority” means a public authority –	20
	(a) in any part of the United Kingdom, or	
	(b) in a country or territory outside the United Kingdom.	
(6)	For the meaning of “agri-food supply chain” (and “person in” such a chain) see paragraph 12.	
	<i>Provision of required information and limitations on its processing</i>	25
14	(1) This paragraph applies to a requirement imposed under paragraph 11(1) or (2).	
	(2) Information provided in response to the requirement may be processed for, but only for, purposes specified in the requirement (see paragraph 13).	
	(3) Sub-paragraph (2) applies –	30
	(a) to the person to whom the information is provided, and	
	(b) to a person to whom the information is disclosed,	
	but, in the case of a person within paragraph (b), sub-paragraph (2) does not authorise processing contrary to the terms on which disclosure is made.	
	(4) Sub-paragraphs (2) and (3) are subject to sub-paragraphs (6) to (9).	35
	(5) The requirement may specify –	
	(a) how and when the required information is to be provided, including (in particular) –	
	(i) the person to whom the information is to be provided (who may be a person other than the Welsh Ministers);	40
	(ii) the form in which the information is to be provided;	
	(iii) the means by which it is to be provided;	
	(iv) the time or times at which, or by when, it is to be provided;	
	(b) the types of processing to which the information may be subjected;	
	(c) the forms in which the information may be disclosed.	45

- (6) Where the requirement specifies the types of processing to which the information may be subjected, information provided in response to the requirement may not be subjected to other types of processing except in circumstances specified in the requirement.
- (7) Sub-paragraphs (8) and (9) apply if – 5
- (a) information is provided in response to the requirement, and
  - (b) a person (“P”) proposes to make a disclosure of the information.
- (8) Where P proposes that the disclosure should be of the information otherwise than in anonymised form –
- (a) P must consider where the disclosure (if made in that form) would, 10  
or might, prejudice the commercial interests of any person, and
  - (b) if P considers that it would or might do so, the disclosure (if made)  
must be of the information in anonymised form unless the Welsh  
Ministers consider that it is in the public interest for the disclosure to  
be of the information in some other form (in which event the  
disclosure may be of the information in that other form). 15
- (9) Where –
- (a) sub-paragraph (8)(b) does not govern the disclosure, but
  - (b) the requirement specifies the forms in which the information may be  
disclosed, 20
- the disclosure must not be of the information in any other form except in  
circumstances specified in the requirement.
- (10) In this Part “processing”, in relation to information, means an operation or  
set of operations which is performed on information, or on sets of  
information, such as – 25
- (a) collection, recording, organisation, structuring or storage,
  - (b) adaptation or alteration,
  - (c) retrieval, consultation or use,
  - (d) disclosure by transmission, dissemination or otherwise making  
available, 30
  - (e) alignment or combination, or
  - (f) restriction, erasure or destruction.

#### *Enforcement of information requirements*

- 15 (1) The Welsh Ministers may by regulations make provision for enforcement of  
a requirement imposed under paragraph 11(1) or (2). 35
- (2) In the following provisions of this paragraph, “specified” means specified in  
regulations under sub-paragraph (1).
- (3) In sub-paragraph (1) “enforcement” includes (in particular) –
- (a) monitoring compliance,
  - (b) investigating non-compliance, and 40
  - (c) dealing with non-compliance.
- (4) The provision that may be made by regulations under sub-paragraph (1)  
includes (in particular) –
- (a) provision for the imposition of monetary penalties for non-  
compliance with requirements, whether penalties – 45

- (i) of a specified amount, or
  - (ii) of an amount calculated in a specified manner, or
  - (iii) of an amount, not exceeding a specified maximum or a maximum calculated in a specified manner, decided by a specified person or a person of a specified description, or 5
  - (iv) by way of suspending, or withholding, payment of any amounts;
  - (b) provision for recovery of amounts due in respect of monetary penalties, including provision for any of interest, set-off and security for payment; 10
  - (c) provision about the giving of advice or warnings;
  - (d) provision for the imposition of restrictions (including prohibitions) on carrying out activities;
  - (e) provision for the acceptance of undertakings to take, or refrain from taking, particular actions; 15
  - (f) provision giving persons functions in connection with enforcement of requirements;
  - (g) provision about review of, or appeals against, things done (including decisions made) in connection with enforcement of requirements.
- (5) In sub-paragraph (4)(a) “specified manner” includes (in particular) a manner framed by reference to a specified matter such as a person’s profits, income or turnover. 20
- (6) Regulations under this paragraph are subject to affirmative resolution procedure.

PART 4 25

INTERVENTION IN AGRICULTURAL MARKETS

*Declaration relating to exceptional market conditions*

- 16 (1) The Welsh Ministers may make and publish a declaration in accordance with this paragraph if the Welsh Ministers consider that there are exceptional market conditions which justify making the powers conferred by or referred to in paragraph 17 available for use. 30
- (2) In this Part “exceptional market conditions” may exist where –
- (a) there is a severe disturbance in agricultural markets or a serious threat of a severe disturbance in agricultural markets, and
  - (b) the disturbance or threatened disturbance has, or is likely to have, a significant adverse effect on agricultural producers in Wales in terms of the prices achievable for one or more agricultural products. 35
- (3) A declaration must –
- (a) state that the Welsh Ministers consider that there are exceptional market conditions which justify making the declaration, 40
  - (b) describe the exceptional market conditions in question, in particular by specifying –
    - (i) the disturbance or threatened disturbance in agricultural markets,
    - (ii) any agricultural product which is or is likely to be affected by the disturbance or threatened disturbance, and 45

- (iii) the grounds for considering that the conditions in sub-paragraph (2)(a) and (b) are met in relation to that disturbance or threatened disturbance, and
  - (c) describe the grounds for considering that the exceptional market decisions justify making the powers conferred by or referred to in paragraph 17 available for use; and 5
  - (d) state that the powers conferred by or referred to in paragraph 17 are (unless the declaration is revoked sooner) available for use in relation to the exceptional market conditions until such day as the declaration may specify. 10
- (4) A declaration has effect from when it is published until the end of the day specified under sub-paragraph (3)(d) (which may not be later than the last day of the period of three months beginning with the day on which it is published).
- (5) The Welsh Ministers may revoke the declaration by making and publishing a further declaration stating that the declaration is revoked. 15
- (6) If at any time during the period of 7 days ending with the day specified under sub-paragraph (3)(d) the Welsh Ministers consider that—
  - (a) there continue to be exceptional market conditions, and
  - (b) they justify extending the availability of the powers conferred by or referred to in paragraph 17, 20the Welsh Ministers may make and publish a further declaration extending the effect of the original declaration for such period (not exceeding three months) as the further declaration may specify.
- (7) The fact that a declaration under this paragraph has expired or been revoked does not prevent the Welsh Ministers from making and publishing another declaration relating in whole or part to the same exceptional market conditions. 25
- (8) A copy of any declaration made and published under this paragraph must be laid before the National Assembly for Wales by the Welsh Ministers as soon as practicable after it is published. 30
- (9) In this paragraph and paragraph 17 a reference to agricultural markets, agricultural producers or agricultural products includes horticultural markets, horticultural producers or horticultural products (as the case may be). 35

*Exceptional market conditions: powers available to Welsh Ministers*

- 17 (1) This paragraph applies during the period for which a declaration under paragraph 16 has effect.
- (2) The Welsh Ministers may give, or agree to give, financial assistance to agricultural producers in Wales whose incomes are being, or are likely to be, adversely affected by the exceptional market conditions described in the declaration. 40
- (3) The Welsh Ministers may also make such use as the Welsh Ministers consider appropriate of any available powers under retained direct EU legislation which provides for the operation of public intervention and aid for private storage mechanisms, in response to a declaration under paragraph 16. 45

- (4) Financial assistance under sub-paragraph (2) may be given by way of grant, loan, guarantee or in any other form.
- (5) The financial assistance may be given subject to such conditions as the Welsh Ministers consider appropriate.
- (6) The conditions may (among other things) include provision under which the financial assistance is to be repaid or otherwise made good (with or without interest). 5
- (7) Nothing in sub-paragraph (1) or (2) prevents the Welsh Ministers from giving, or agreeing to give, financial assistance under sub-paragraph (2) – 10
- (a) after the end of the period for which the declaration has effect, but
- (b) in response to an application duly made during that period.

*Power to modify retained direct EU legislation relating to public market intervention and private storage aid*

- 18 (1) The Welsh Ministers may by regulations modify retained direct EU legislation relating to public market intervention or aid for private storage, for the purpose of altering the operation of provisions of such legislation, so far as they have effect in relation to Wales in connection with exceptional market conditions which are the subject of a declaration under paragraph 16. 15
- (2) The Welsh Ministers may by regulations modify retained direct EU legislation relating to public market intervention or aid for private storage, for either or both of the following purposes – 20
- (a) securing that provisions of such legislation cease to have effect in relation to Wales, otherwise than in connection with exceptional market conditions which are the subject of a declaration under paragraph 16; 25
- (b) altering the operation of provisions of such legislation, so far as they have effect in relation to Wales otherwise than in connection with such market conditions (pending the achievement of the purpose in paragraph (a) in relation to those provisions).
- (3) Regulations under this paragraph are subject to negative resolution procedure. 30
- (4) In this paragraph “retained direct EU legislation relating to public market intervention or aid for private storage” includes –
- (a) Articles 8 to 18 of the CMO Regulation;
- (b) Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products (so far as relating to public market intervention and aid for private storage); 35
- (c) the following Commission Regulations (so far as relating to public market intervention and aid for private storage) – 40
- (i) Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing the CMO Regulation with regard to public intervention and aid for private storage;
- (ii) Commission Implementing Regulation (EU) 2016/1240 of 18 May 2016 laying down rules for the application of the CMO Regulation with regard to public intervention and aid for private storage; 45

- (iii) Commission Delegated Regulation (EU) 2017/1182 of 20 April 2017 supplementing the CMO Regulation as regards the Union scales for the classification of beef, pig and sheep carcasses and as regards the reporting of market prices of certain categories of carcasses and live animals. 5

## PART 5

### MARKETING STANDARDS AND CARCASS CLASSIFICATION

#### *Marketing standards and carcass classification*

- 19 (1) The Welsh Ministers may by regulations, in relation to products that—
- (a) fall within a sector listed in paragraph 20(1), and 10
  - (b) are marketed in Wales,
- make provision about the standards with which those products must conform (“marketing standards”).
- (2) The regulations may cover matters such as—
- (a) technical definitions, designation and sales descriptions; 15
  - (b) classification criteria such as grading into classes, weight, sizing, age and category;
  - (c) the species, plant variety or animal breed or the commercial type;
  - (d) the presentation, labelling, packaging, rules to be applied in relation to packaging centres, marking, years of harvesting and use of specific terms; 20
  - (e) criteria such as appearance, consistency, conformation, product characteristics and the percentage of water content;
  - (f) specific substances used in production, or components or constituents, including their quantitative content, purity and identification; 25
  - (g) the type of farming and production method, including oenological practices;
  - (h) coupage of must and wine (including definitions of those terms), blending and restrictions thereof; 30
  - (i) the frequency of collection, delivery, preservation and handling, the conservation method and temperature, storage and transport;
  - (j) the place of farming or origin, excluding poultrymeat and spreadable fats;
  - (k) restrictions as regards the use of certain substances and practices; 35
  - (l) specific use of products;
  - (m) the conditions governing the disposal, the holding, circulation and use of products not in conformity with the marketing standards, and the disposal of by-products;
  - (n) the use of terms communicating value-added characteristics or attributes. 40
- (3) The Welsh Ministers may by regulations make provision about the classification, identification and presentation of bovine, pig and sheep carcasses by slaughterhouses in Wales.
- (4) Regulations under sub-paragraph (1) or (3) may include provision about enforcement, which may (among other things) include provision— 45

- |                                                                                                    |    |
|----------------------------------------------------------------------------------------------------|----|
| (a) about the provision of information;                                                            |    |
| (b) conferring powers of entry;                                                                    |    |
| (c) conferring powers of inspection, search and seizure;                                           |    |
| (d) about the keeping of records;                                                                  |    |
| (e) imposing monetary penalties;                                                                   | 5  |
| (f) creating offences;                                                                             |    |
| (g) about appeals;                                                                                 |    |
| (h) conferring functions (including functions involving the exercise of a discretion) on a person. |    |
| (5) Regulations under this paragraph are subject to affirmative resolution procedure.              | 10 |

*Agricultural sectors*

- |                                                                                                           |    |
|-----------------------------------------------------------------------------------------------------------|----|
| 20 (1) The sectors mentioned in paragraph 19(1) are—                                                      |    |
| (a) olive oil and table olives;                                                                           |    |
| (b) fruit and vegetables;                                                                                 | 15 |
| (c) processed fruit and vegetable products;                                                               |    |
| (d) bananas;                                                                                              |    |
| (e) live plants;                                                                                          |    |
| (f) eggs;                                                                                                 |    |
| (g) poultrymeat;                                                                                          | 20 |
| (h) spreadable fats intended for human consumption;                                                       |    |
| (i) hops;                                                                                                 |    |
| (j) wine;                                                                                                 |    |
| (k) beef and veal;                                                                                        |    |
| (l) milk and milk products intended for human consumption;                                                | 25 |
| (m) aromatised wine.                                                                                      |    |
| (2) The Welsh Ministers may make regulations—                                                             |    |
| (a) amending sub-paragraph (1) so as to add or remove an agricultural sector;                             |    |
| (b) setting out products that fall within each sector, or otherwise giving further detail on the sectors. | 30 |
| (3) Regulations under this paragraph are subject to negative resolution procedure.                        |    |

SCHEDULE 4

Section 28

PROVISION RELATING TO NORTHERN IRELAND

35

PART 1

FINANCIAL SUPPORT AFTER EXITING THE EU

*Direct Payments: interpretation*

- 1 (1) This paragraph defines or explains expressions used in paragraph 2.

- (2) The “basic payment scheme” is the Basic Payment Scheme under the Direct Payments Regulation (see Title III of that Regulation), as it operates in relation to Northern Ireland, including the arrangements relating to each of the following elements of direct payments under the scheme –
- (a) so much of a direct payment that does not consist of a redistributive, greening or young farmers payment (see Chapter 1 of Title III), 5
  - (b) a greening payment (see Chapter 3 of Title III), and
  - (c) a young farmers payment (see article 50 of that Regulation).
- (3) The “legislation governing the basic payment scheme” is –
- (a) the following retained direct EU legislation – 10
    - (i) the Direct Payments Regulation,
    - (ii) any Council Delegated Regulation, or Commission Delegated Regulation, made under the Direct Payments Regulation,
    - (iii) any other retained direct EU legislation which relates to the operation of the basic payment scheme; and 15
  - (b) any subordinate legislation relating to retained direct EU legislation falling within paragraph (a).
- (4) “Direct payment” means a payment under the basic payment scheme (whether or not including a greening payment or a young farmers payment). 20
- (5) The “Direct Payments Regulation” is Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy.

*Power to modify legislation governing the basic payment system* 25

- 2 (1) The Department of Agriculture, Environment and Rural Affairs in Northern Ireland (“DAERA”) may by regulations modify legislation governing the basic payment scheme for or in connection with –
- (a) making changes DAERA considers will simplify or improve the scheme (so far as it operates in relation to Northern Ireland); 30
  - (b) making provision, including provision corresponding to that made in Chapter 4 of Title II of the Direct Payments Regulation as it has effect in EU law immediately before exit day, for the elements of a direct payment under the scheme as it operates in relation to Northern Ireland to include a payment for areas with natural constraints. 35
- (2) The provision which may be made under sub-paragraph (1)(a) includes provision made for or in connection with terminating either or both of greening payments and young farmers payments in relation to Northern Ireland. 40
- (3) Regulations under this paragraph are subject to affirmative resolution procedure.

*General provision connected with payments to farmers and other beneficiaries: modification in relation to Northern Ireland*

- 3 (1) DAERA may by regulations modify any of the following legislation – 45

- (a) retained direct EU legislation relating to the financing, management and monitoring of the common agricultural policy, and
  - (b) subordinate legislation relating to that legislation.
- (2) Regulations under this paragraph may only be made for the purpose of—
- (a) securing that any provision of legislation referred to in subparagraph (1) ceases to have effect in relation to Northern Ireland, or 5
  - (b) simplifying or improving the operation of any provision of such legislation in relation to Northern Ireland.
- (3) In this paragraph “retained direct EU legislation relating to the financing, management and monitoring of the common agricultural policy” includes— 10
- (a) Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy,
  - (b) retained direct EU legislation made under that Regulation.
- (4) Regulations under this paragraph are subject to negative resolution procedure. 15

*Support for rural development: modification of legislation in relation to Northern Ireland*

- 4 (1) DAERA may by regulations modify any of the following legislation so far as it has effect in relation to Northern Ireland—
- (a) retained direct EU legislation relating to support for rural development, and 20
  - (b) subordinate legislation relating to that legislation.
- (2) In this paragraph “retained direct EU legislation relating to support for rural development” includes in particular—
- (a) Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development, 25
  - (b) Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development,
  - (c) Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development, 30
  - (d) so far as it relates to support for rural development, Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund etc, 35
  - (e) Council Regulation (EC) No 1257/99 of 17 May 1999 on support for rural development,
  - (f) Council Regulation (EEC) No 2080/92 of 30 June 1992 instituting a Community aid scheme for forestry measures in agriculture, 40
  - (g) Council Regulation (EEC) No 2078/92 of 30 June 1992 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside, and 45
  - (h) retained direct EU legislation made under the retained direct EU legislation in paragraphs (a) to (g).

- (3) Regulations under this paragraph are subject to affirmative resolution procedure.

## PART 2

### COLLECTION AND SHARING OF DATA

- Agri-food supply chains: requirement to provide information* 5
- 5 (1) DAERA may require a person in, or closely connected with, an agri-food supply chain to provide information about matters connected with any of the person’s activities connected with the supply chain so far as the activities are in Northern Ireland.
- (2) DAERA may make regulations requiring a person in, or closely connected with, an agri-food supply chain to provide information about matters connected with any of the person’s activities connected with the supply chain so far as the activities are in Northern Ireland. 10
- (3) See paragraph 6 for provision about – 15
- (a) the meaning of “agri-food supply chain”,
  - (b) who is in such a supply chain, and
  - (c) who is closely connected with such a supply chain.
- (4) Sub-paragraphs (1) and (2) do not apply in relation to individuals in a supply chain so far as they are in the supply chain by reason of them, or members of their households, being the ultimate consumers (see paragraph 6). 20
- (5) A requirement under sub-paragraph (1) must be in writing.
- (6) Sub-paragraph (1) binds the Crown.
- (7) Regulations under sub-paragraph (2) are subject to affirmative resolution procedure. 25
- 6 (1) This paragraph has effect for the purposes of this Part.
- (2) An “agri-food supply chain” is a supply chain for providing individuals with items of food or drink for personal consumption where the items consist of or include, or have been produced using (directly or indirectly, and whether or not exclusively), the whole or part of – 30
- (a) anything grown or otherwise produced in carrying on agriculture, or
  - (b) any creature kept in carrying on agriculture, or
  - (c) any creature or other thing taken from the wild.
- (3) The persons in an agri-food supply chain are – 35
- (a) those individuals (“the ultimate consumers”),
  - (b) the persons carrying on the agriculture or (as the case may be) taking things from the wild, and
  - (c) anybody in the supply chain between those persons and the ultimate consumers.
- (4) The persons “closely connected” with an agri-food supply chain are – 40
- (a) anybody supplying seeds, stock, equipment, feed, fertiliser, pesticides, medicines or similar items to the persons within sub-paragraph (3)(b) for use in the agriculture or taking,

- 
- (b) anybody providing, to persons within sub-paragraph (3)(b) or (c), services related to –
    - (i) the health of creatures, or plants, involved in the supply chain, or
    - (ii) the safety or quality of the food or drink to be provided to the ultimate consumers, 5
  - (c) any person carrying on activities capable of affecting a matter mentioned in sub-paragraph (i) or (ii) of paragraph (b), and
  - (d) bodies representing persons within any of paragraphs (b) and (c) of sub-paragraph (3) and paragraphs (a), (b) and (c) of this sub-paragraph. 10
- (5) Activities of the kind mentioned in sub-paragraph (4)(c) are to be treated for the purposes of paragraph 5(1) and (2) as connected with the supply chain, but this is not to be read as limiting the generality of “connected” in paragraph 5(1) and (2). 15
- (6) In this paragraph –
- “agriculture” includes any growing of plants, and any keeping of creatures, for the production of food or drink;
  - “plants” includes fungi;
  - “seeds” includes bulbs and other things from which plants grow. 20
- 7 (1) This paragraph applies to a requirement imposed under paragraph 5(1) or (2).
- (2) The requirement must specify the purposes for which the information may be processed.
- (3) Each purpose specified must be in, or covered by, the list of purposes in sub-paragraph (4). 25
- (4) The list of purposes is as follows –
- (a) helping persons in agri-food supply chains to –
    - (i) increase productivity,
    - (ii) manage risks (including, but not limited to, financial risks, non-financial trading risks, climatic risks, and risks of or from disease or pollution), or 30
    - (iii) manage market volatility;
  - (b) promoting transparency or fairness in agri-food supply chains;
  - (c) promoting the health or traceability of creatures of a kind kept for the production of food, drink, fibres or leathers; 35
  - (d) promoting the health of plants;
  - (e) minimising adverse environmental effects of activities connected with agri-food supply chains;
  - (f) minimising waste arising from activities connected with agri-food supply chains; 40
  - (g) monitoring, or analysing, markets connected with agri-food supply chains;
  - (h) the purposes of any function of a public authority so far as it is a function relating to one or more of the following – 45
    - (i) agri-food supply chains,
    - (ii) activities connected with agri-food supply chains,
    - (iii) the health of people or creatures,

- (iv) the health or quality of plants or soil,
  - (v) the safety or quality of food or drink,
  - (vi) waste,
  - (vii) environmental protection, or
  - (viii) the countryside. 5
- (5) In sub-paragraph (4) –  
“plants” includes fungi;  
“public authority” means a public authority –
- (a) in any part of the United Kingdom, or
  - (b) in a country or territory outside the United Kingdom. 10
- (6) For the meaning of “agri-food supply chain” (and “person in” such a chain) see paragraph 6.

*Provision of required information and limitations on its processing*

- 8 (1) This paragraph applies to a requirement imposed under paragraph 5(1) or (2). 15
- (2) Information provided in response to the requirement may be processed for, but only for, purposes specified in the requirement.
- (3) Sub-paragraph (2) applies –
- (a) to the person to whom the information is provided, and
  - (b) to a person to whom the information is disclosed, 20
- but, in the case of a person within paragraph (b), sub-paragraph (2) does not authorise processing contrary to the terms on which disclosure is made.
- (4) Sub-paragraphs (2) and (3) are subject to sub-paragraphs (6) to (9).
- (5) The requirement may specify –
- (a) how and when the required information is to be provided, including (in particular) – 25
    - (i) the person to whom the information is to be provided (who may be a person other than DAERA);
    - (ii) the form in which the information is to be provided;
    - (iii) the means by which it is to be provided; 30
    - (iv) the time or times at which, or by when, it is to be provided;
  - (b) the types of processing to which the information may be subjected;
  - (c) the forms in which the information may be disclosed.
- (6) Where the requirement specifies the types of processing to which the information may be subjected, information provided in response to the requirement may not be subjected to other types of processing except in circumstances specified in the requirement. 35
- (7) Sub-paragraphs (8) and (9) apply if –
- (a) information is provided in response to the requirement, and
  - (b) a person (“P”) proposes to make a disclosure of the information. 40
- (8) Where P proposes that the disclosure should be of the information otherwise than in anonymised form –
- (a) P must consider whether the disclosure (if made in that form) would, or might, prejudice the commercial interests of any person, and

- (b) if P considers that it would or might do so, the disclosure (if made) must be of the information in anonymised form unless DAERA considers that it is in the public interest for the disclosure to be of the information in some other form (in which event the disclosure may be of the information in that other form). 5
- (9) Where—
- (a) sub-paragraph (8)(b) does not govern the disclosure, but
- (b) the requirement specifies the forms in which the information may be disclosed,
- the disclosure must not be of the information in any other form except in circumstances specified in the requirement. 10
- (10) In this Part “processing”, in relation to information, means an operation or set of operations which is performed on information, or on sets of information, such as—
- (a) collection, recording, organisation, structuring or storage, 15
- (b) adaptation or alteration,
- (c) retrieval, consultation or use,
- (d) disclosure by transmission, dissemination or otherwise making available,
- (e) alignment or combination, or 20
- (f) restriction, erasure or destruction.

*Enforcement of information requirements*

- 9 (1) DAERA may by regulations make provision for enforcement of a requirement imposed under paragraph 5(1) or (2).
- (2) In the following provisions of this paragraph “specified” means specified in regulations under sub-paragraph (1). 25
- (3) In sub-paragraph (1) “enforcement” includes (in particular)—
- (a) monitoring compliance,
- (b) investigating non-compliance, and
- (c) dealing with non-compliance. 30
- (4) The provision that may be made by regulations under sub-paragraph (1) includes (in particular)—
- (a) provision for the imposition of monetary penalties for non-compliance with requirements, whether penalties— 35
- (i) of a specified amount, or
- (ii) of an amount calculated in a specified manner, or
- (iii) of an amount, not exceeding a specified maximum or a maximum calculated in a specified manner, decided by a specified person or a person of a specified description, or
- (iv) by way of suspending, or withholding, payment of any amounts; 40
- (b) provision for recovery of amounts due in respect of monetary penalties, including provision for any of interest, set-off and security for payment;
- (c) provision about the giving of advice or warnings; 45

- (d) provision for the imposition of restrictions (including prohibitions) on carrying out activities;
  - (e) provision for the acceptance of undertakings to take, or refrain from taking, particular actions;
  - (f) provision giving persons functions in connection with enforcement of requirements; 5
  - (g) provision about review of, or appeals against, things done (including decisions made) in connection with enforcement of requirements.
- (5) In sub-paragraph (4)(a) “specified manner” includes (in particular) a manner framed by reference to a specified matter such as a person’s profits, income or turnover. 10
- (6) Regulations under this paragraph are subject to affirmative resolution procedure.

### PART 3

#### INTERVENTION IN AGRICULTURAL MARKETS 15

##### *Exceptional market conditions: powers available to DAERA*

- 10 (1) Where DAERA considers that –
- (a) there is a severe disturbance in agricultural markets or a serious threat of a severe disturbance in agricultural markets, and
  - (b) the disturbance or threatened disturbance has, or is likely to have, a significant adverse effect on agricultural producers in Northern Ireland in terms of the prices achievable for one or more agricultural products, 20
- DAERA may give, or agree to give, financial assistance to agricultural producers in Northern Ireland whose incomes are being, or are likely to be, adversely affected by the disturbance in agricultural markets. 25
- (2) DAERA may also make such use as DAERA considers appropriate of any available powers under retained direct EU legislation which provides for the operation of public intervention and aid for private storage mechanisms, as an alternative to, or in conjunction with, financial assistance under sub-paragraph (1). 30
- (3) Financial assistance under sub-paragraph (1) may be given by way of grant, loan, guarantee or in any other form.
- (4) The financial assistance may be given subject to such conditions as DAERA considers appropriate. 35
- (5) The conditions may (among other things) include provision under which the financial assistance is to be repaid or otherwise made good (with or without interest).
- (6) In this paragraph a reference to agricultural markets, agricultural products or agricultural producers includes horticultural markets, horticultural products or horticultural producers (as the case may be). 40

*Power to modify retained direct EU legislation relating to public market intervention and private storage aid*

- 11 (1) DAERA may by regulations modify retained direct EU legislation relating to public market intervention or aid for private storage, for either or both of the following purposes – 5
- (a) securing that provisions of such legislation cease to have effect in relation to Northern Ireland;
  - (b) altering the operation of provisions of such legislation, so far as they have effect in relation to Northern Ireland (pending the achievement of the purpose in paragraph (a) in relation to those provisions). 10
- (2) Regulations under this paragraph are subject to affirmative resolution procedure.
- (3) In this paragraph “retained direct EU legislation relating to public market intervention or aid for private storage” includes – 15
- (a) Articles 8 to 18 of the CMO Regulation; 15
  - (b) Council Regulation (EU) No 1370/2013 of 16 December 2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products (so far as relating to public market intervention and aid for private storage); 20
  - (c) the following Commission Regulations (so far as relating to public market intervention and aid for private storage) –
    - (i) Commission Delegated Regulation (EU) 2016/1238 of 18 May 2016 supplementing the CMO Regulation with regard to public intervention and aid for private storage; 25
    - (ii) Commission Implementing Regulation (EU) 2016/1240 of 18 May 2016 laying down rules for the application of the CMO Regulation with regard to public intervention and aid for private storage;
    - (iii) Commission Delegated Regulation (EU) 2017/1182 of 20 April 2017 supplementing the CMO Regulation as regards the Union scales for the classification of beef, pig and sheep carcasses and as regards the reporting of market prices of certain categories of carcasses and live animals. 30

PART 4 35

MARKETING STANDARDS AND CARCASS CLASSIFICATION

*Marketing standards and carcass classification*

- 12 (1) DAERA may by regulations, in relation to products that –
- (a) fall within a sector listed in paragraph 13(1), and
  - (b) are marketed in Northern Ireland, 40
- make provision about the standards with which those products must conform (“marketing standards”).
- (2) The regulations may cover matters such as –
- (a) technical definitions, designation and sales descriptions;
  - (b) classification criteria such as grading into classes, weight, sizing, age and category; 45

- (c) the species, plant variety or animal breed or the commercial type;
  - (d) the presentation, labelling, packaging, rules to be applied in relation to packaging centres, marking, years of harvesting and use of specific terms;
  - (e) criteria such as appearance, consistency, conformation, product characteristics and the percentage of water content; 5
  - (f) specific substances used in production, or components or constituents, including their quantitative content, purity and identification;
  - (g) the type of farming and production method, including oenological practices; 10
  - (h) coupage of must and wine (including definitions of those terms), blending and restrictions thereof;
  - (i) the frequency of collection, delivery, preservation and handling, the conservation method and temperature, storage and transport; 15
  - (j) the place of farming or origin, excluding poultrymeat and spreadable fats;
  - (k) restrictions as regards the use of certain substances and practices;
  - (l) specific use of products;
  - (m) the conditions governing the disposal, the holding, circulation and use of products not in conformity with the marketing standards, and the disposal of by-products; 20
  - (n) the use of terms communicating value-added characteristics or attributes.
- (3) DAERA may by regulations make provision about the classification, identification and presentation of bovine, pig and sheep carcasses by slaughterhouses in Northern Ireland. 25
- (4) Regulations under sub-paragraph (1) or (3) may include provision about enforcement, which may (among other things) include provision – 30
- (a) about the provision of information;
  - (b) conferring powers of entry;
  - (c) conferring powers of inspection, search and seizure;
  - (d) about the keeping of records;
  - (e) imposing monetary penalties;
  - (f) creating offences; 35
  - (g) about appeals;
  - (h) conferring functions (including functions involving the exercise of a discretion) on a person.
- (5) Regulations under this paragraph are subject to affirmative resolution procedure. 40

*Agricultural sectors*

- 13 (1) The sectors mentioned in paragraph 12(1)(a) are –
- (a) olive oil and table olives;
  - (b) fruit and vegetables;
  - (c) processed fruit and vegetable products; 45
  - (d) bananas;
  - (e) live plants;

- |                                                                                                           |    |
|-----------------------------------------------------------------------------------------------------------|----|
| (f) eggs;                                                                                                 |    |
| (g) poultrymeat;                                                                                          |    |
| (h) spreadable fats intended for human consumption;                                                       |    |
| (i) hops;                                                                                                 |    |
| (j) wine;                                                                                                 | 5  |
| (k) beef and veal;                                                                                        |    |
| (l) milk and milk products intended for human consumption;                                                |    |
| (m) aromatised wine.                                                                                      |    |
|                                                                                                           |    |
| (2) DAERA may make regulations –                                                                          |    |
| (a) amending sub-paragraph (1) so as to add or remove an agricultural sector;                             | 10 |
| (b) setting out products that fall within each sector, or otherwise giving further detail on the sectors. |    |
|                                                                                                           |    |
| (3) Regulations under this paragraph are subject to negative resolution procedure.                        | 15 |

## SCHEDULE 5

Section 31

### THE CMO REGULATION: CONSEQUENTIAL AMENDMENTS

#### *Exceptional market conditions*

- |   |                                                                                                                                                                                                                             |    |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 1 | In consequence of the provision made by sections 17 and 18 and paragraphs 16 to 17 of Schedule 3, in Part V of the CMO Regulation (general provisions), at the beginning of each of Articles 219, 220, 221 and 222 insert – | 20 |
|   | “A1 This Article does not apply in relation to agricultural producers in England or agricultural producers in Wales.”                                                                                                       |    |

#### *Marketing standards and carcass classification*

- |   |                                                                                                                                                             |    |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 2 | In consequence of the provision made in Part 5, Part 5 of Schedule 3 and Part 4 of Schedule 4, the CMO Regulation is amended as follows.                    | 25 |
| 3 | In Article 19 (public intervention and aid for private storage: delegated powers), in paragraph 6, at the end insert –                                      |    |
|   | “This paragraph does not apply to the classification, identification and presentation of carcasses by slaughterhouses in –                                  | 30 |
|   | (a) England (see section 20(3) of the Agriculture Act 2018);                                                                                                |    |
|   | (b) Wales (see paragraph 19(3) of Schedule 3 to that Act);                                                                                                  |    |
|   | (c) Northern Ireland (see paragraph 12(3) of Schedule 4 to that Act).”                                                                                      |    |
| 4 | In Article 20 (public intervention and aid for private storage: implementing powers in accordance with the examination procedure), after point (u) insert – | 35 |
|   | “Points (p) to (u) do not apply in relation to slaughterhouses in –                                                                                         |    |
|   | (a) England (see section 20(3) of the Agriculture Act 2018);                                                                                                |    |
|   | (b) Wales (see paragraph 19(3) of Schedule 3 to that Act);                                                                                                  | 40 |

- (c) Northern Ireland (see paragraph 12(3) of Schedule 4 to that Act).”
- 5 In Article 21 (public intervention and aid for private storage: other implementing powers), at the beginning insert –
- “This Article does not apply to the classification of carcasses by slaughterhouses in –
- (a) England (see section 20(3) of the Agriculture Act 2018);
- (b) Wales (see paragraph 19(3) of Schedule 3 to that Act);
- (c) Northern Ireland (see paragraph 12(3) of Schedule 4 to that Act).”
- 6 In Article 73 (marketing standards: scope), at the end insert –
- “References in this Section to marketing standards –
- (a) as they apply in relation to products marketed in England, include standards set in regulations under section 20(1) of the Agriculture Act 2018;
- (b) as they apply in relation to products marketed in Wales, include standards set in regulations under paragraph 19(1) of Schedule 3 to that Act;
- (c) as they apply in relation to products marketed in Northern Ireland, include standards set in regulations under paragraph 12(1) of Schedule 4 to that Act.”
- 7 In Article 75 (marketing standards: establishment and content), at the beginning insert –
- “A1 This Article does not apply in relation to products marketed in –
- (a) England (see section 20(1) of the Agriculture Act 2018);
- (b) Wales (see paragraph 19(1) of Schedule 3 to that Act);
- (c) Northern Ireland (see paragraph 12(1) of Schedule 4 to that Act).”
- 8 In Article 78 (definitions, designations and sales descriptions for certain sectors and products), at the end insert –
- “6 Paragraphs 3 to 5 do not apply in relation to products marketed in –
- (a) England (see section 20(1) of the Agriculture Act 2018);
- (b) Wales (see paragraph 19(1) of Schedule 3 to that Act);
- (c) Northern Ireland (see paragraph 12(1) of Schedule 4 to that Act).”
- 9 In Article 80 (oenological practices and methods of analysis), at the end insert –
- “6 Paragraphs 3 to 5 do not apply in relation to products marketed in –
- (a) England (see section 20(1) of the Agriculture Act 2018);
- (b) Wales (see paragraph 19(1) of Schedule 3 to that Act);
- (c) Northern Ireland (see paragraph 12(1) of Schedule 4 to that Act).”
- 10 In Article 86 (reservation, amendment and cancellation of optional reserved

- terms), at the beginning insert –
- “This Article and Articles 87 and 88 do not apply in relation to products marketed in –
- (a) England (see section 20(1) of the Agriculture Act 2018);
  - (b) Wales (see paragraph 19(1) of Schedule 3 to that Act);
  - (c) Northern Ireland (see paragraph 12(1) of Schedule 4 to that Act).”
- 5
- 11 In Article 91 (implementing powers in accordance with the examination procedure), at the beginning insert –
- “This Article does not apply in relation to products marketed in –
- (a) England (see section 20(1) of the Agriculture Act 2018);
  - (b) Wales (see paragraph 19(1) of Schedule 3 to that Act);
  - (c) Northern Ireland (see paragraph 12(1) of Schedule 4 to that Act).”
- 10
- 12 In Article 119 (labelling and presentation in the wine sector: compulsory particulars), in paragraph 3, at the end insert –
- “Sub-paragraph (b) of this paragraph does not apply in relation to products marketed in –
- (a) England (see section 20(1) of the Agriculture Act 2018);
  - (b) Wales (see paragraph 19(1) of Schedule 3 to that Act);
  - (c) Northern Ireland (see paragraph 12(1) of Schedule 4 to that Act).”
- 15
- 13 In Article 122 (labelling and presentation in the wine sector: delegated powers), at the beginning insert –
- “A1 This Article does not apply in relation to products marketed in –
- (a) England (see section 20(1) of the Agriculture Act 2018);
  - (b) Wales (see paragraph 19(1) of Schedule 3 to that Act);
  - (c) Northern Ireland (see paragraph 12(1) of Schedule 4 to that Act).”
- 25
- 14 In Article 123 (implementing powers in accordance with the examination procedure), at the beginning insert –
- “This Article does not apply in relation to products marketed in –
- (a) England (see section 20(1) of the Agriculture Act 2018);
  - (b) Wales (see paragraph 19(1) of Schedule 3 to that Act);
  - (c) Northern Ireland (see paragraph 12(1) of Schedule 4 to that Act).”
- 30
- 15 Regulations made by the European Commission under –
- (a) Article 19(6) of the CMO Regulation,
  - (b) any of points (p) to (u) of Article 20 of the CMO Regulation, or
  - (c) Article 21 of the CMO Regulation,
- 40
- continue to apply to slaughterhouses in England, in Wales and in Northern Ireland, notwithstanding the amendments made by paragraphs 3 to 5.
- 16 Regulations made by the European Commission under Section 1 or Section 3 of Chapter 1 of Title 2 of the CMO Regulation continue to apply to products

marketed in England, Wales and, as the case may be, Northern Ireland notwithstanding the amendments made by paragraphs 6 to 14.

# Agriculture Bill

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## B I L L

To authorise new expenditure for certain agricultural and other purposes; to make provision about direct payments during an agricultural transition period following the United Kingdom's departure from the European Union; to make provision about the acquisition and use of information connected with food supply chains; to confer power to respond to exceptional market conditions affecting agricultural markets; to confer power to modify retained direct EU legislation relating to agricultural and rural development payments and public market intervention and private storage aid; to make provision about marketing standards and the classification of carcasses; to make provision for the recognition of associations of agricultural producers which may benefit from certain exemptions from competition law; to confer power to make regulations about contracts for the purchase of agricultural products from agricultural producers and securing compliance with the WTO Agreement on Agriculture; and for connected purposes.

*Presented by Secretary Michael Gove,  
supported by  
The Prime Minister,  
The Chancellor of the Exchequer,  
Secretary David Mundell, Secretary Alun Cairns,  
Secretary Karen Bradley, Secretary Liam Fox,  
Secretary Dominic Raab, Elizabeth Truss, and  
George Eustice.*

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*Ordered, by The House of Commons,  
to be Printed, 12 September 2018.*

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