



## **Agriculture Bill**

### **HL Bill 112 of 2019–21**

On 10 June 2020, the second reading of the Agriculture Bill is scheduled to take place in the House of Lords.

The Agriculture Bill establishes a legislative framework by which the Secretary of State would be able to create a new system for supporting the farming industry following the UK's departure from the EU. The bill sets out a list of activities which might be supported financially by the Secretary of State, such as environmental protection, public access to the countryside and the preservation of the health and welfare of livestock and plants. The bill also includes provisions concerning reform of the agricultural market in the UK which are intended to: increase food security in the UK; improve transparency and fairness in the agri-food supply chain; increase protection for agricultural producers selling to business purchasers; and protect market standards.

A similar Agriculture Bill was introduced during the 2017–19 session. Commenting on that version of the bill, both the House of Commons Environment, Food and Rural Affairs Committee and the House of Lords Delegated Powers and Regulatory Reform Committee raised concerns about the use of delegated powers in the bill, arguing the Government had not provided enough information about how the system would work in practice. The House of Commons Environment, Food and Rural Affairs Committee also raised concerns regarding whether there were adequate protections in the bill to ensure that cheap goods imported into the UK did not undercut existing UK food production standards.

During report stage on the current bill on 13 May 2020, the Opposition and the chair of the Environment, Food and Rural Affairs Committee, Neil Parish, and other MPs argued the bill needed to include a ban on the import of food products to the UK that did not meet UK standards. The Government opposed these amendments, arguing the Agriculture Bill was a domestic bill rather than a trade bill. The Government also argued it had made a manifesto commitment not to compromise the UK's environmental protection, animal welfare or food standards as part of any future trade deal.

An amendment to introduce a ban on food imports to the UK that did not meet UK standards was defeated in a division by 328 votes to 277. This division was conducted using a new procedure for remote electronic voting, introduced in response to the Covid-19 outbreak.

Edward Scott | 22 May 2020

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## 1. Introduction

The Government has described the Agriculture Bill as the first major reform of agriculture policy for half a century.<sup>1</sup> It establishes a legislative framework by which the Secretary of State would be able to create a new system for supporting the farming industry following the UK's departure from the EU. The Government has said this new system would be established on the principle of "public money for public goods".<sup>2</sup> The bill sets out a list of activities which the Government might support financially, such as environmental protection, public access to the countryside and the preservation of the health and welfare of livestock and plants.

The bill also includes provisions concerning reform of the agricultural market in the UK. There are measures in the bill intended to increase food security in the UK, improve transparency and fairness in the agri-food supply chain, increase protection for agricultural producers selling to business purchasers and protect market standards.

This briefing provides an overview of the bill's provisions. It also summarises the passage of the bill through the House of Commons, focussing on proceedings during report stage.<sup>3</sup>

## 2. Background

### ***Replacing the Common Agricultural Policy***

UK farmers and land managers currently receive financial support through the system established by the EU common agricultural policy (CAP). CAP payments are organised into two "pillars". The first of these two pillars is direct payments. The amount of direct payments someone received depends on the size of the land they farm. Direct payments constitute the majority of CAP payments. For example, in England in 2018, total CAP payments were €3,934 million.<sup>4</sup> Of this, €3,126 million were direct payments. Rural development funding, co-funded by the EU and the UK, made up the second of these two pillars.

During the campaign for the 2016 referendum on the UK's membership of the EU, one of the key issues debated was the effect of the UK's departure on the rural economy and the potential ending of the CAP payments in the UK. The Conservative Government's official position during the campaign was that the UK should remain a member of the EU. However, the then Minister of State at the Department for Environment, Food and Rural Affairs, George Eustice, who supported the leave campaign, argued the UK would be able to design its own agricultural policies outside the EU which could provide better financial support to farmers and improve the way they are regulated.<sup>5</sup>

Following the 2016 referendum, the Government, then led by Theresa May, announced it intended to

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<sup>1</sup> [HC Hansard, 3 February 2020, col 70.](#)

<sup>2</sup> [Explanatory Notes](#), p 4.

<sup>3</sup> A summary of the second reading and committee stage of the Agriculture Bill is provided in the House of Commons Library briefing, [The Agriculture Bill 2019–21](#) (11 May 2020).

<sup>4</sup> This information is based on the EU financial year which runs from 16 October 2017 to 15 October 2018.

<sup>5</sup> BBC News, ['David Cameron says UK farmers would suffer outside EU'](#), 11 March 2016. George Eustice was appointed Secretary of State for Environment, Food and Rural Affairs on 13 February 2020.

introduce a new system of financial support for UK farmers following the UK's departure from the EU. It argued direct payments created distortionary incentives because they rewarded farmers and landowners based on the amount of agricultural land they maintained.<sup>6</sup> The Government argued this was inhibiting the growth of the UK agricultural sector. It also argued direct payments offered poor value for money, with more than half of the payments in England made in 2016 going to only 10 percent of the farms.

In January 2018, the then Secretary of State for Environment, Food and Rural Affairs, Michael Gove, published the Government's 25 year environment plan.<sup>7</sup> This stated the Government would introduce a new environmental land management scheme, which would be based on the principle of "public money for public goods".<sup>8</sup> The primary public good the then Government said it wanted to support was "environmental enhancement".<sup>9</sup> It also said the new scheme would support land managers "to restore and improve [the UK's] natural capital and rural heritage".<sup>10</sup>

In February 2018, the Government published a consultation entitled *Health and Harmony: The Future for Food, Farming and the Environment in a Green Brexit*.<sup>11</sup> This consultation set out how financial assistance would be provided to farmers following the UK's departure from the EU. It also included proposals for the phasing out of direct payments in England and their gradual replacement with a new environmental land management scheme.<sup>12</sup>

### **Agriculture Bill: 2017–19 session**

Theresa May's Government introduced an Agriculture Bill during the 2017–19 session.<sup>13</sup> This included new powers for the Secretary of State to establish a financial assistance scheme for farmers and land managers. The bill completed committee stage in the House of Commons on 20 November 2018 but fell due to prorogation. A bill was included in the subsequent Queen's Speech in October 2019.<sup>14</sup> However, it was not introduced prior to the end of the 2019 session on 5 November 2019.

The House of Commons Environment, Food and Rural Affairs Committee published a report on the bill in November 2018.<sup>15</sup> It described it as primarily an enabling bill to change UK agricultural policy outside the EU.<sup>16</sup> However, it criticised the way in which delegated powers were being granted to the Government in the bill. It also criticised the Government for not presenting the bill in draft form for

<sup>6</sup> Department for Environment, Food and Rural Affairs, [Moving Away from Direct Payments: Agriculture Bill: Analysis of the Impacts of Removing Direct Payments](#), September 2018, p 4.

<sup>7</sup> HM Government, [A Green Future: Our 25 Year Plan to Improve the Environment](#), 16 May 2019.

<sup>8</sup> *ibid*, p 36.

<sup>9</sup> *ibid*.

<sup>10</sup> *ibid*.

<sup>11</sup> Department for Environment, Food and Rural Affairs, [Health and Harmony: The Future for Food, Farming and the Environment in a Green Brexit](#), February 2018.

<sup>12</sup> *ibid*, p 7. The consultation closed on 8 May 2018 (Department for Environment, Food and Rural Affairs, '[Consultation outcome: The future for food, farming and the environment](#)', 13 September 2018).

<sup>13</sup> UK Parliament website, '[Agriculture Bill 2017–19](#)', accessed 18 May 2020.

<sup>14</sup> [HL Hansard, 14 October 2019, cols 2–4](#).

<sup>15</sup> House of Commons Environment, Food and Rural Affairs Committee, [Scrutiny of the Agriculture Bill](#), 27 November 2018, HC 1591 of session 2017–19.

<sup>16</sup> *ibid*, p 4.

pre-legislative scrutiny.<sup>17</sup> The House of Lords Delegated Powers and Regulatory Reform Committee raised similar concerns regarding the use of delegated powers.<sup>18</sup> The committee argued there were a large number of delegated powers in the bill, including regarding the replacement of the CAP. It said:

Parliament [would] not be able to debate the merits of the new agriculture regime because the bill does not contain even an outline of the substantive law that will replace the CAP after the United Kingdom leaves the EU.<sup>19</sup>

In April 2019, the House of Lords Rural Economy Committee also criticised the then Conservative Government for a lack of clarity on how aspects of its proposed replacement for the CAP would work in practice.<sup>20</sup>

The House of Commons Environment, Food and Rural Affairs Committee also raised concerns regarding the standards of goods imported into the UK as the UK seeks to establish new trade deals outside the EU. The committee recommended that the Government should accept an amendment to the bill stipulating that food products imported as part of any future trade deal should meet existing British production, animal welfare and environmental standards.<sup>21</sup>

### ***New Agriculture Bill: 2019–21 session***

The 2019 Conservative Party manifesto said Brexit would enable the UK to raise standards in areas including animal welfare, agriculture and the environment.<sup>22</sup> The Government announced at the time of the December 2020 Queen's Speech that it would be introducing the Agriculture Bill in the new session.<sup>23</sup> It received first reading in the House of Commons on 16 January 2020.

The Government's response to the House of Commons Environment, Food and Rural Affairs Committee's 2018 report was not published until April 2020, after this new Agriculture Bill had been published.<sup>24</sup> In its response, the Government addressed concerns about pre-legislative scrutiny of the bill. It argued the bill had now been scrutinised at committee stage during the 2017–19 session and changed as a result.<sup>25</sup> On the issue of future trade deals, the Government said it was committed to upholding the UK's current environmental, food, and animal welfare standards and these would remain UK law following the end of the transition period.<sup>26</sup>

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<sup>17</sup> House of Commons Environment, Food and Rural Affairs Committee, [Scrutiny of the Agriculture Bill](#), 27 November 2018, HC 1591 of session 2017–19, p 22.

<sup>18</sup> House of Lords Delegated Powers and Regulatory Reform Committee, [Agriculture Bill](#), 17 October 2018, HL Paper 194 of session 2017–19.

<sup>19</sup> *ibid*, p 1.

<sup>20</sup> House of Lords Rural Economy Committee, [Time for A Strategy for The Rural Economy](#), 27 April 2019, HL Paper 330 of session 2017–19.

<sup>21</sup> House of Commons Environment, Food and Rural Affairs Committee, [Scrutiny of the Agriculture Bill](#), 27 November 2018, HC 1591 of session 2017–19, p 17.

<sup>22</sup> Conservative Party, [Conservative Party Manifesto 2019](#), November 2019, unnumbered 'My Guarantee' page and p 5.

<sup>23</sup> Prime Minister's Office, [The Queen's Speech 2019: Background Briefing Notes](#), 19 December 2019, p 17.

<sup>24</sup> House of Commons Environment, Food and Rural Affairs Committee, [Scrutiny of the Agriculture Bill: Government Response to the Committee's Tenth Report of Session 2017–19](#), 1 April 2020, HC 273 of session 2019–21.

<sup>25</sup> *ibid*, p 1.

<sup>26</sup> *ibid*, pp 6–7.

## ***Direct payments following the UK departure from the EU***

Prior to the UK's departure from the EU, the Government passed the Direct Payments to Farmers (Legislative Continuity) Act 2020. This received royal assent on 30 January 2020.<sup>27</sup> It enables UK farms and land managers to continue to receive direct payments after 31 January 2020. Unlike most EU law, which continues to be applied in the UK during the transition period due to run until 31 December 2020, EU direct payments legislation no longer applied to the UK from exit day, 31 January 2020. The Direct Payments (Legislative Continuity) Act 2020 established a legal basis in domestic law to enable direct payments to continue for the claim year 2020. However, these are now funded domestically.<sup>28</sup> The Government has committed in its manifesto to maintain the level of financial support received by farmers during the life of the current parliament.<sup>29</sup>

The Government has said it intends to begin making reductions to direct payments in 2021, with the last payments being made for the 2027 scheme year.<sup>30</sup> At the same time, the Government has said the environmental land management scheme would be developed. It said a national pilot of the scheme would be carried out between late 2021 and 2024.<sup>31</sup> It would then be rolled out across England in late 2024. The Government subsequently confirmed on 19 May 2020 that this deadline remained unaffected by the Covid-19 outbreak.<sup>32</sup>

### **3. Bill provisions**

#### **3.1 Territorial extent**

As agriculture is a devolved matter in Wales, Scotland and Northern Ireland, most of the provisions in the bill relate to England only.<sup>33</sup> However, some provisions extend across the UK, including:

- The requirement for the Secretary of State to report on UK food security (clause 17).
- Provisions to establish fair dealing with agricultural producers (clause 27).
- Provisions concerning producer organisations (clauses 28–30).
- Changes to the definition of fertilisers (clause 31).
- Provisions concerning the identification and traceability of animals (clause 32).
- Provisions concerning organic products (clauses 36–7).
- Measures to ensure compliance with the World Trade Organisation (WTO) Agreement on Agriculture (clauses 40–2).

<sup>27</sup> [HL Hansard, 30 January 2020, col 501](#). Further information on this bill is provided in the House of Lords Library briefing [Direct Payments to Farmers \(Legislative Continuity\) Bill: Briefing for Lords Stages](#) (23 January 2020).

<sup>28</sup> HM Treasury, [‘Farmers’ £3 billion support confirmed in time for 2020](#), 30 December 2019.

<sup>29</sup> Conservative Party, [Conservative Party Manifesto 2019](#), November 2019, p 42.

<sup>30</sup> Department for the Environment, Food and Rural Affairs Committee, [‘Health and Harmony: the future for food, farming and the environment in a Green Brexit—policy statement’](#), 14 September 2018.

<sup>31</sup> Department for the Environment, Food and Rural Affairs Committee, [Environmental Land Management: Policy Discussion Document](#), February 2020, p 15.

<sup>32</sup> House of Commons, [‘Written Question: Agriculture: Subsidies’](#), 19 May 2020, 45033.

<sup>33</sup> Further information on the territorial extent of the bill is provided on pp 62–4 of the [explanatory notes](#) to the bill.

In addition, reforms to the red meat levy (clause 33) apply to England, Wales and Scotland only. Changes to agricultural tenancies (clause 34) apply to England and Wales. Clauses 43 to 45 concern powers of the Welsh Government and the Northern Ireland Executive.

### 3.2 Financial assistance

The Agriculture Bill gives the Secretary of State the power to provide financial assistance for certain activities in England.<sup>34</sup> These are described by the Government as “public goods” which will be rewarded through public funds, as described in the 25 year environment plan.<sup>35</sup> These activities include land, water and/or livestock management, carried out in such a way as to improve the natural environment or achieve other benefits set out in the bill.

As in the previous version of the bill, the Secretary of State would be able to provide financial assistance to activities which:

- Protect or improve the environment.
- Support public access and improve understanding of the environment.
- Maintain, restore or improve cultural or natural heritage.
- Mitigate or adapt to climate change, such as restoring peatlands.
- Prevent, reduce or protect from environmental hazards, such as flooding.
- Protect or improve the health or welfare of livestock.
- Protect or improve the health of plants.
- Start or improve agricultural, horticultural or forestry productivity.<sup>36</sup>

The Agriculture Bill introduced during the 2019–21 session includes additional types of activity, not included in the previous version. These activities are:

- Conservation of native livestock, native equines or genetic resources relating to these animals.
- Conservation of plants grown or used in agricultural, horticultural or forestry activity, their wild relatives, or other related genetic resources.
- Protection or improvement of soil quality.
- Supporting the ancillary activities involved in the production of agricultural, horticultural or forestry goods. Ancillary activities are defined in the bill as selling, marketing, preparation, packaging, processing or distribution.<sup>37</sup>

The bill includes a new requirement that the Secretary of State publish a plan regarding how this financial assistance would be allocated.<sup>38</sup> The bill also now requires the Secretary of State to publish

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<sup>34</sup> Clause 1.

<sup>35</sup> [Explanatory Notes](#), p 4.

<sup>36</sup> Clauses 1(1)(a)–(f), (h), and 1(2)(a). Examples of these activities are provided in the [explanatory notes](#).

<sup>37</sup> Clauses 1(1)(g), (i), (j), 1(2)(b) and 1(5). As above, examples of these activities are provided in the [explanatory notes](#).

<sup>38</sup> Clause 5.

multi-annual financial assistance plans.<sup>39</sup> These plans would establish how the Secretary of State expected to allocate financial assistance over a period of at least five years. The bill would also require the Secretary of State to monitor the impact of this financial assistance and report on its effectiveness.<sup>40</sup>

The National Farmers Union (NFU) welcomed the inclusion of these new provisions in the bill.<sup>41</sup> It noted that, on their own, these multi-annual financial programmes did not provide the same degree of financial security as that offered under CAP. However, it noted separate commitments by the Government to maintain the level of financial support received by farmers during the life of the parliament.

### 3.2 Phasing out of direct payments

The bill provides for the phasing out of direct payments in England over a seven-year period, starting in 2021.<sup>42</sup> This seven-year period is referred to in the bill as the “agricultural transition period”.<sup>43</sup> The agricultural transition period may be extended through secondary legislation.<sup>44</sup>

The bill does not establish the timescale for the phasing out of direct payments within this seven-year agricultural transition period. During this period, the Secretary of State would have the power to introduce regulations specifying how much direct payments might be reduced by.<sup>45</sup> The bill would also enable the Secretary of State to introduce regulations modifying legislation governing the basic payment scheme.<sup>46</sup>

The Government confirmed in February 2020 the proportions by which direct payments would be reduced in the first year of the agricultural transition period.<sup>47</sup> Farmers in different bands would have their payment reduced as follows in the first year:<sup>48</sup>

**Table 1: Reductions to direct payments in first year of agricultural transition period**

Direct Payment Band	Reduction Percentage
Up to £30,000	5%
£30,000– £50,000	10%
£50,000–£150,000	20%
£150,000 or more	25%

<sup>39</sup> Clause 4.

<sup>40</sup> Clause 6.

<sup>41</sup> National Farmers Union, [‘Expert Insight: The Agriculture Bill 2020’](#), accessed 19 May 2020.

<sup>42</sup> Clauses 7, 8, 10 and 11

<sup>43</sup> Clause 7(4).

<sup>44</sup> Clause 8(3)-(4).

<sup>45</sup> Clause 11. These regulations would be subject to the affirmative resolution procedure.

<sup>46</sup> Clause 9(1).

<sup>47</sup> Department for the Environment, Food and Rural Affairs, [‘Farming for the Future: Policy and Progress Update’](#), February 2020, pp 35–6.

<sup>48</sup> *ibid.*

The Government said, as a result of these reductions, around £150 million could be reinvested into “the delivery of public goods and providing support for farmers” during the first year of the agricultural transition period.<sup>49</sup> It has also said these reductions would be increased over time after the first year.<sup>50</sup>

The bill also gives the Secretary of State powers regarding other forms of financial support for farmers. It would enable the Secretary of State to make regulations modifying retained EU law on support for rural development and aid provided to fruit and vegetable producer organisations.<sup>51</sup>

### 3.3 Food security

The Agriculture Bill includes provisions intended to support food and agricultural markets.<sup>52</sup> This includes a new requirement for the Secretary of State to publish a report on food security.<sup>53</sup> This is a new provision, not included in the version of the bill introduced during the 2017–19 session. The food security report would have to be published at least once every five years. It would also have to address themes including the availability and supply of food, the resilience of supply chains, household expenditure on food, food safety and consumer confidence.<sup>54</sup>

Under other provisions in the bill, the Government would be able to issue a declaration of extraordinary market conditions.<sup>55</sup> This declaration would be in response to a severe disturbance or threat of disturbance to agricultural markets. It would enable the Secretary of State to provide financial assistance to agricultural producers in England for a limited period of up to three months.<sup>56</sup> The Secretary of State would also be given the power to amend retained EU legislation.<sup>57</sup>

### 3.4 Agri-food supply chain

The bill would enable the Secretary of State to collect information on the agri-food supply chain in England.<sup>58</sup> The Government has said these measures would increase transparency and protect producers and consumers from unfair trading practices.<sup>59</sup> It would enable the Secretary of State to require someone in the supply chain for agri-food production—or closely connected with it—to provide information. For example, the bill states this includes anybody supplying animal feed, fertilisers, pesticides and other items for use in agriculture.<sup>60</sup> It also includes those providing services relating to the health of animals and plants or the safety and quality of food.<sup>61</sup> The explanatory notes

<sup>49</sup> House of Commons, ‘[Written Question: Agriculture: Subsidies](#)’, 17 February 2020, 14744.

<sup>50</sup> Department for the Environment, Food and Rural Affairs, [Farming for the Future: Policy and Progress Update](#), February 2020, pp 35–6.

<sup>51</sup> Clauses 15–16.

<sup>52</sup> Clauses 17–20.

<sup>53</sup> Clause 17.

<sup>54</sup> Clause 17(1) and (2).

<sup>55</sup> Clauses 18–20.

<sup>56</sup> Clause 18(4).

<sup>57</sup> Clause 20.

<sup>58</sup> Clauses 21–23.

<sup>59</sup> House of Commons, ‘[Written Statement: Agriculture Bill: Introduction](#)’, 16 January 2020, HCWS43.

<sup>60</sup> Clause 22(3).

<sup>61</sup> Clause 22(4).

provide examples of people and organisations who might be required to provide information, such as veterinarians, abattoirs and cattle markets.<sup>62</sup>

### 3.5 Purchasers of agricultural products: Fair dealing obligation

The bill would give the Secretary of State the power to make regulations establishing “fair dealing” obligations for business purchasers of agricultural products.<sup>63</sup> The Government has said these regulations are necessary to address an imbalance in size between individual food producers and business purchasers.<sup>64</sup> It has noted that individual food producers tend to be small, individual businesses, while business purchasers tend to be big and control large shares of their market.

Following the passing of the Groceries Code Adjudicator Act 2013, the relationship between food producers and large grocery retailers has been regulated by the Groceries Code Adjudicator, which is responsible for enforcing the Groceries Supply Code of Practice.<sup>65</sup> However, the remit of the Groceries Code Adjudicator does not include the relationship between food producers and other business purchasers. A minority of food producers do not sell directly to supermarkets and therefore are not protected by the code.<sup>66</sup>

The kind of obligation that might be created by regulations under the bill may include:

- Contracts between food producers and business purchasers must be in writing.
- Terms dealing with specific matters are included in contracts such as the quality and quantity of products being purchased, how they are to be provided, the duration of the contract, methods of payment and other matters.<sup>67</sup>

### 3.6 Producer and interbranch organisations

The bill includes measures to replicate in UK law the system for establishing and recognising producer organisations derived from EU law.<sup>68</sup> In the EU, these organisations have certain exemptions from EU competition rules such as collective negotiation on behalf of their members and being able to jointly plan production.<sup>69</sup> These exemptions would be carried over into UK law.

### 3.7 Matters relating to farming and the countryside

The Agriculture Bill includes the following provisions addressing aspects of farming and the countryside. These were not included in the version of the bill introduced during the 2017–19 session.

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<sup>62</sup> [Explanatory Notes](#), pp 26–7

<sup>63</sup> Clause 27.

<sup>64</sup> [Explanatory Notes](#), p 29.

<sup>65</sup> HM Government, ‘[Groceries Code Adjudicator](#)’, accessed 22 May 2020.

<sup>66</sup> [Explanatory Notes](#), pp 29–30.

<sup>67</sup> A full list is provided in clause 27(7).

<sup>68</sup> Clauses 28–30 and schedules 1 and 2.

<sup>69</sup> European Commission, ‘[Producer and Interbranch Organisations](#)’, accessed 21 April 2020.

## **Fertilisers**

The bill would change the way fertilisers are regulated. It would expand the definition of fertilisers to include a broader range of materials.<sup>70</sup> It would also enable different types of fertilisers to be classified according to their function.

## **Identification and traceability of animals**

The bill would enable the Secretary of State to amend existing legislation regarding the collection and sharing of information on animals.<sup>71</sup> This is intended to enable a new body, the Agriculture and Horticulture Development Board, to collect information as part of its new Livestock Identification Service.<sup>72</sup> The Agriculture and Horticulture Development Board is an executive non-departmental public body, sponsored by the Department for Environment, Food and Rural Affairs. Its remit is to provide market information for the livestock, dairy and agriculture sectors.<sup>73</sup>

## **Red meat levy**

The red meat levy is a statutory levy collected at slaughter-houses.<sup>74</sup> The way in which it is collected has been criticised by farmers in Scotland and Wales who have to visit slaughter-houses in England.<sup>75</sup> Currently, their levy is spent by the English levy body as it is paid based on the location of the slaughter-house rather than in the country where the livestock has been raised. The bill establishes a new scheme whereby a levy body in one country within Great Britain is able to provide funding to a levy body in another country.<sup>76</sup>

## **Agricultural tenancies**

The bill gives powers to the Secretary of State to amend existing agricultural tenancy laws.<sup>77</sup> These powers are intended to enable tenant farmers to adapt their farming methods to ensure they are able to access new forms of financial assistance without breaking tenancy agreements. This issue was raised during committee stage of the Agriculture Bill in the 2017–19 session and subsequently included in the current bill by the Government.<sup>78</sup>

## **3.8 Marketing standards and organic products**

The quality of agricultural products and provision of information to consumers in the UK is currently based on EU standards. These continue to apply in the UK as retained EU law following the UK's

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<sup>70</sup> [Explanatory Notes](#), p 34.

<sup>71</sup> Clause 32.

<sup>72</sup> [Explanatory Notes](#), p 36.

<sup>73</sup> HM Government, '[Agriculture and Horticulture Development Board](#)', accessed 21 May 2020.

<sup>74</sup> Agriculture and Horticulture Development Board, '[Levy returns portal](#)', accessed 21 May 2020.

<sup>75</sup> [Explanatory Notes](#), pp 36–7.

<sup>76</sup> Clause 33.

<sup>77</sup> Clause 34.

<sup>78</sup> [Public Bill Committee, Agriculture Bill, 3 March 2020, session 2017–19, 10th sitting, cols 331–3.](#)

withdrawal from the EU under the European Union (Withdrawal) Act 2018. The bill gives the Secretary of State the power to make regulations to change marketing standards for agricultural products in England.<sup>79</sup> The bill also gives powers to the Secretary of State and to ministers in the devolved administrations regarding the certification of organic products, the import and export of organic products and the enforcement of the regime for organic products.

### 3.9 Carcass classification

The classification of bovine, pig and sheep carcasses at slaughter-houses, based on their characteristics and quality, is currently governed by EU law.<sup>80</sup> The bill gives the Secretary of State the power to introduce new regulations changing these rules following the end of the transition period.<sup>81</sup>

### 3.10 World Trade Organisation Agreement on Agriculture

Both the UK and the EU are members of the World Trade Organisation (WTO) in their own right and signatories to the WTO Agreement on Agriculture. The Agreement on Agriculture sets limits on the amount of domestic support countries are able to provide to their agricultural sector.<sup>82</sup> It also includes commitments on market access and export subsidies.

Following Brexit, the UK Government is responsible for the UK's compliance with the WTO Agreement on Agriculture. The bill gives powers to the Secretary of State to make regulations to ensure the UK's compliance.<sup>83</sup> This includes powers to set limits for the provision of domestic support for farmers and to collect information from the devolved administrations on the domestic support provided in Wales, Scotland and Northern Ireland.

### 3.11 Wales and Northern Ireland

The bill also gives powers to the ministers in the devolved administrations in Wales similar to those given to the Secretary of State regarding direct payments, the power to make a declaration of exceptional market conditions and other England-only provisions included earlier in the bill.<sup>84</sup> The provisions were requested by the Welsh Government and are intended to last until the Welsh Parliament passes separate legislation for Wales. These provisions are therefore time limited until the end of 2024. The bill also gives powers to the Northern Ireland Executive department responsible for farm payments to enable it to continue to make payments to farmers and land managers.<sup>85</sup>

## 4. Second reading and committee stage

Second reading of the Agriculture Bill took place in the House of Commons on 3 February 2020.<sup>86</sup>

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<sup>79</sup> Clause 35.

<sup>80</sup> [Explanatory Notes](#), p 44.

<sup>81</sup> Clause 38.

<sup>82</sup> World Trade Organisation, '[Agreement on Agriculture](#)', accessed 22 May 2020.

<sup>83</sup> Clauses 40–2.

<sup>84</sup> Clauses 43–4 and schedule 5.

<sup>85</sup> Clause 45 and schedule 6.

<sup>86</sup> [HC Hansard, 3 February 2020, cols 70–143](#).

During the debate, the Shadow Secretary of State for the Environment, Food and Rural Affairs, Luke Pollard, argued the bill did not include sufficient controls on imported agricultural goods and did not adequately guarantee environmental, animal welfare and food safety standards.<sup>87</sup> An opposition amendment to deny the bill second reading on these grounds was defeated by 320 votes to 206. Amendments to the bill were also tabled at committee stage. However, only technical amendments moved by the Government were made to the bill.

Further information on second reading and committee stage in the House of Commons is provided in the House of Commons Library briefing, [The Agriculture Bill 2019–21](#) (11 May 2020).

## 5. Report stage

Report stage of the Agriculture Bill took place in the House of Commons on 13 May 2020. Several non-government amendments were debated but were not made to the bill. Three remote divisions took place, using procedures introduced in response to the Covid-19 outbreak.<sup>88</sup> Prior to this, a remote division in the House of Commons had taken place on 12 May 2020 following a debate on Covid-19.<sup>89</sup> However, these were the first remote divisions on primary legislation.<sup>90</sup>

During report stage, the Government moved amendments 20, 21 and 22. These amended powers given to the Welsh Government set out in schedule 6 of the bill. These amendments were not subject to a remote division but were instead decided by the collection of voices.<sup>91</sup>

### 5.1 International trade deals and UK agriculture

Several new clauses were tabled at report stage to establish a ban on the import of food products to the UK which did not meet UK standards:

- New clause 1, tabled by Simon Hoare (Conservative MP for North Dorset), would have banned the import of agricultural products to the UK under any new international trade deal if they were not produced to UK standards for: animal welfare; environmental protection; food safety, hygiene and traceability; and plant health.

A similar clause, new clause 6, was tabled by the Shadow Secretary of State for Environment, Food and Rural Affairs, Luke Pollard.

- New clause 2, tabled by the chair of the Environment, Food and Rural Affairs Committee, Neil Parish, would have prevented any trade agreement from being laid before Parliament unless the Secretary of State confirmed it would not allow food products to be imported that did not match UK standards. The Secretary of State would also need to confirm that

<sup>87</sup> [HC Hansard, 3 February 2020, col 77.](#)

<sup>88</sup> These hybrid procedures were debated and agreed by the House of Commons on 21 and 22 April 2020: [HC Hansard, 21 April 2020, cols 2–24](#); and [22 April 2020, cols 74–80.](#)

<sup>89</sup> [HC Hansard, 12 May 2020, cols 217–21.](#)

<sup>90</sup> Further information about House of Commons procedures for hybrid sittings of the chamber is provided in the House of Commons Library briefing [Coronavirus: Changes to Practice and Procedure in the UK and Other Parliaments](#) (19 May 2020).

<sup>91</sup> [HC Hansard, 13 May 2020, col 348.](#)

the new agreement affirmed the UK's rights and obligations under the WTO Sanitary and Phytosanitary Agreement.

- Similar new clauses were also tabled by Deidre Brock, the Shadow SNP Spokesperson for the Environment, Food and Rural Affairs (new clause 12) and by Tim Farron, the Liberal Democrat spokesperson on Food and Rural Affairs (new clause 10). New clause 10 would have also required the Government to seek the approval of the House of Commons for elements of a trade agreement that concerned trade in agricultural products.

Speaking in support of his clause, Simon Hoare said he was in favour of the UK entering new free trade deals. However, he argued the bill in its current form risked creating an unlevel playing field, with UK food producers at risk of being undercut by cheaper imported goods from countries with lower standards.<sup>92</sup> He argued that, if the UK market was flooded with cheap products, this would lead to domestic production being permanently damaged, preventing the UK from being able to gain any benefits from these new trade deals.

Neil Parish said that he was in favour of a new trade deal with the United States, arguing this could present an opportunity for UK food producers to increase exports to that country.<sup>93</sup> However, he argued the UK should not be afraid to insist on protecting its current environmental and animal welfare standards. He also responded to an argument made by the Government, that this amendment would be more appropriate if tabled during the debate on the Trade Bill. Mr Parish said:

It is no good being told, “Don’t put it in the Agriculture Bill; put it in the Trade Bill.” When we try to put it in the Trade Bill, it will be out of scope. We are being led down the garden path—we really are—and it is time for us to stand up and be counted.<sup>94</sup>

Luke Pollard argued the bill enabled the Government to leave “the door open” to cheap food imports.<sup>95</sup> He said this would undermine the UK's current food production standards.

Responding for the Government, the Parliamentary Under Secretary of State for Environment, Food and Rural Affairs, Victoria Prentis, argued the bill was a domestic bill and not about trade.<sup>96</sup> She said the Government had committed in its manifesto not to compromise the UK's environmental protection, animal welfare or food standards as part of any future trade deal. She also argued the amendments might lead to the unintended consequence of goods that currently met UK import standards being blocked.

Following the debate, Simon Hoare withdrew his amendment to enable the House to be able to vote on new clause 2, which he supported.<sup>97</sup> New clause 2 was defeated in a remote division by 328 votes to 277.<sup>98</sup>

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<sup>92</sup> [HC Hansard, 13 May 2020, cols 289–91.](#)

<sup>93</sup> *ibid.*, col 300.

<sup>94</sup> *ibid.*

<sup>95</sup> *ibid.*, col 292.

<sup>96</sup> *ibid.*, col 294.

<sup>97</sup> *ibid.*, col 307.

<sup>98</sup> *ibid.*, cols 339–43.

After the division, the Deputy Speaker, Dame Eleanor Laing, told the House she had been informed that a small number of MPs had miscast their electronic votes.<sup>99</sup> However, she said she was satisfied that the total mistaken votes would not have been enough to effect the result of the division. The press subsequently reported that the Chancellor of the Exchequer, Rishi Sunak, had voted for the amendment.<sup>100</sup>

### **Duty to export goods**

New clause 4, tabled by Mark Garnier (Conservative MP for Wyre Forest), would have required the Secretary of State to increase opportunities for UK farmers to export agricultural products. This would include measures such as securing the lifting of any bans on UK agricultural exports or trade barriers, including tariffs. Under this new clause, the Secretary of State would have been required to report to Parliament on an annual basis on the measures taken to achieve this. Mr Garnier argued his amendment would make the Secretary of State a “trade champion for the British agricultural industry”.<sup>101</sup>

## **5.2 Coronavirus and food supply**

Luke Pollard tabled new clause 7 which would have required the Secretary of State to lay a coronavirus emergency food plan before Parliament within six months of the bill receiving royal assent. This plan would need to address food security matters, as described in clause 17(2) of the Agriculture Bill. It would also have to address matters such as:

- Levels of malnutrition, hunger and poverty.
- Levels of demand for food aid.
- Stock levels of individual food items.
- How much financial assistance is being provided to food producers as a result of coronavirus.

The Shadow Minister for Environment, Food and Rural Affairs, Daniel Zeichner, argued this measure was necessary as the Covid-19 pandemic had “shone a light on pre-existing problems of hunger, poverty and food insecurity” in the UK.<sup>102</sup> The amendment was supported by Deidre Brock, who also argued the pandemic had revealed the extent of food poverty in the UK.<sup>103</sup> Responding for the Government, Victoria Prentis said the Government was working to ensure those affected by the Covid-19 pandemic would have access to food.<sup>104</sup> She said the Government had announced £16 million of funding for food charities.<sup>105</sup> Following the debate, new clause 7 was defeated in a remote division by 352 votes to 221.<sup>106</sup>

<sup>99</sup> [HC Hansard, 13 May 2020, col 343.](#)

<sup>100</sup> BBC News, [‘Chancellor Rishi Sunak mistakenly joins rebels in chlorine chicken vote’](#), 13 May 2020.

<sup>101</sup> [HC Hansard, 13 May 2020, col 320.](#)

<sup>102</sup> *ibid*, col 334.

<sup>103</sup> *ibid*, col 298.

<sup>104</sup> *ibid*, col 294.

<sup>105</sup> *ibid*; Department for Digital, Culture, Media and Sport and Department for Environment, Food and Rural Affairs, [‘£16 million for food charities to provide meals for those in need’](#), 8 May 2020.

<sup>106</sup> [HC Hansard, 13 May 2020, cols 344–48.](#)

### 5.3 Financial assistance

Amendments were also tabled to provisions in the bill concerning financial assistance. Several MPs sought to expand the purposes for which financial assistance might be provided.

Mr Pollard said that the bill, as it was currently drafted, did not include a great enough emphasis on food.<sup>107</sup> He argued the Government needed to do more to ensure people had access to nutritional food and improving public health. He tabled amendments to add to the list of public goods in the bill ensuring that the public had access to healthy food and the improvement of public health.<sup>108</sup>

Other amendments to create additional public goods were also tabled. For example, Kerry McCarthy (Labour MP for Bristol East) and Caroline Lucas (Green Party MP for Brighton, Pavilion) both tabled amendments to add support for agroecological systems to the list of public goods in the bill.<sup>109</sup> Caroline Lucas also tabled an amendment that would have enabled the Secretary of State to set targets for uptake of agroecological farming practices.<sup>110</sup> Agroecology is defined by the Soil Association as the application of ecological concepts and principles to agriculture.<sup>111</sup> Ms McCarthy, who is chair of the All-party Parliamentary Group on Agroecology, described how she believed agroecological methods could support the farming industry and improve the environment:

What we need is a whole-farm system approach, so that across the farm, not just on the margins, farmers are using agroecological methods, focusing on getting the best from the whole landscape. Such measures include protecting soil health through no-till farming, which not only boosts food production but helps to sequester carbon; using integrated pest management rather than toxic pesticides; and protecting habitats and promoting biodiversity, so that we see a return of nesting birds, pollinators and beneficial insects to our countryside.<sup>112</sup>

Tim Farron tabled an amendment that would have added support for upland landscapes and communities to the list of public goods.<sup>113</sup> Mr Farron argued the landscape of south Cumbria—the location of his parliamentary constituency and a UNESCO world heritage site—was an example of an upland landscape which contributed to the UK’s national heritage.

New clause 8 and amendment 30, tabled by Luke Pollard, also proposed the establishment of a baseline of regulatory standards for agricultural and horticultural activity. These baseline requirements would have to be met in order for someone to receive financial assistance.

### 5.4 Phasing out of the basic payment scheme

Sir Edward Leigh and Julian Sturdy (Conservative MP for York Outer) tabled an amendment which would have changed the start date for phasing out the basic payment scheme to 2022, rather than

<sup>107</sup> [HC Hansard, 13 May 2020, col 292.](#)

<sup>108</sup> Amendments 26–9.

<sup>109</sup> Amendments 18 and 19.

<sup>110</sup> Amendment 42.

<sup>111</sup> Soil Association, ‘[An Introduction to Agroecology](#)’, accessed 21 May 2020.

<sup>112</sup> [HC Hansard, 13 May 2020, col 314.](#)

<sup>113</sup> Amendment 36.

2021.<sup>114</sup> Julian Sturdy argued the amendment would give businesses more time to prepare for the phasing out of the basic payment scheme.<sup>115</sup> This amendment was not passed.

## 5.5 Food security

Amendment 23, tabled by Caroline Lucas, would have required the Secretary of State's report on food security to be published every year rather than every five years. Luke Pollard, speaking in support of the amendment, also argued the report needed to be published on an annual basis.<sup>116</sup>

Mr Pollard tabled two amendments to clause 17 establishing the food security report:

- Amendment 24 would have expanded the scope of the report, requiring the Secretary of State to address food poverty. This amendment would also have required the report to address progress towards the achievement of UN Sustainable Development Goal 2, the elimination of global hunger.<sup>117</sup>
- Amendment 25 would have further expanded the issues to be addressed in the food security report. This amendment defined food insecurity as a lack of consistent access to adequate food, arising from a lack of money or other resources.

Responding to these amendments, Victoria Prentis said that, while the bill set a minimum of five years for publication of the food security report, the Government intended to make available information between these publications. She also confirmed the Government did not intend to wait five years before the publication of its first report.<sup>118</sup> None of the amendments were passed.

## 5.6 Red meat levy

Deidre Brock welcomed proposals for the introduction of a scheme to reallocate funds raised through the red meat levy. However, she said the bill did not include a timescale for the establishment of this scheme. She therefore tabled amendment 38, requiring the levy scheme be introduced by 1 April 2021.

## 5.7 Marketing standards: Labelling

Tracey Crouch (Conservative MP for Chatham and Aylesford) tabled amendments to the bill which proposed changing the rule on labelling food products.<sup>119</sup> Her amendments would have required labels to provide more information about the farming methods used to produce food. She said this would enable consumers to make informed choices, arguing:

I believe that, ultimately, consumers are best placed to drive improvement in animal welfare

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<sup>114</sup> Amendment 6.

<sup>115</sup> [HC Hansard, 13 May 2020, col 308.](#)

<sup>116</sup> *ibid*, col 293.

<sup>117</sup> United Nations, '[Sustainable Development Goals: Goal 2: Zero Hunger](#)', accessed 20 May 2020.

<sup>118</sup> [HC Hansard, 13 May 2020, col 294.](#)

<sup>119</sup> New clause 11 and amendment 37.

standards because consumer demands and changing behaviours force the agriculture and supermarket sector to adapt. The substantial shift away from caged to free-range eggs is testament to this. At present, more than half of egg production in the UK is free range, with more and more restaurants and supermarkets phasing out their use and sale of caged eggs as public demand changes. I would argue that the legislation that required eggs and egg packs to be labelled with the farming method has undoubtedly helped to accelerate this change and that extending it to other products simply follows.<sup>120</sup>

Responding to these amendments, Victoria Prentis said the Government would consider this proposal.<sup>121</sup> However, she said this could not be introduced until after the transition period following the UK's departure from the EU and would have to comply with the UK's WTO obligations.

## 5.8 World Trade Organisation

Amendment 39, tabled by Deidre Brock, would have limited the power of the Secretary of State regarding compliance with the WTO Agreement on Agriculture. Clause 42(4) and (5) of the bill enable the Secretary of State to require the devolved administrations to provide information about support being provided to agriculture in Scotland, Wales and Northern Ireland. The Scottish Government's legislative consent memorandum on the bill stated this would in effect enable the Secretary of State to establish how support schemes were classified and how much money could be paid from them.<sup>122</sup> A remote division on amendment 39 was held and the amendment was defeated by 362 votes to 56.<sup>123</sup>

## 6. Third reading and reaction

Following report stage, a short third reading stage took place. The Secretary of State for the Environment, Food and Rural Affairs, George Eustice, gave a two minute speech in which he repeated the Government's commitment to support farmers during the phasing out of direct payments and the introduction of a system of financial assistance.<sup>124</sup> The motion to give the bill a third reading was passed following a division, by 360 votes to 211.<sup>125</sup>

Following report stage and third reading, the NFU stated its disappointment that the Government was unwilling to support amendments to prevent food imports which did not meet UK food production and animal welfare standards.<sup>126</sup> While welcoming animal welfare provisions in the bill, the RSPCA also criticised the Government for not supporting amendments requiring imported foods to meet UK standards.<sup>127</sup>

<sup>120</sup> [HC Hansard, 13 May 2020, col 317.](#)

<sup>121</sup> [ibid](#), col 296.

<sup>122</sup> Scottish Government, [Legislative Consent Memorandum Agriculture Bill](#), 4 May 2020, pp 5–6.

<sup>123</sup> [HC Hansard, 13 May 2020, cols 349–52.](#)

<sup>124</sup> [ibid](#), col 352.

<sup>125</sup> [ibid](#), cols 353–8.

<sup>126</sup> National Farmers Union, ['Agriculture Bill returns to Parliament'](#), accessed 19 May 2020.

<sup>127</sup> RSPCA, ['We welcome result of 'historic' Commons vote for Agriculture Bill'](#), 13 May 2020.