Agriculture Bill Briefing - Fair Dealing Obligations Clause 27

We are seeking support for amendments to the Agriculture Bill clause on Fair Dealing which aims to protect farmers and growers from unfair trading practices by buyers in the supply chain. We are seeking the following amendments:

Clause 27 Page 20

Line 31 change word *'may'* to *'must'*

Explanatory statement We are requesting this to be a **duty** not a power. This amendment would require the Secretary of State to make regulations for fair dealing obligations in Clause 27.

Page 20, line 30 leave out the words *'first'*
Page 20 Line 32 (1) leave out the word *'the first'*
Page 20 Line 34 (2) leave out the word *'the first'*
Page 21 Line 23 leave out the word *'the first'*
Page 21 line 38 amend to *"purchasers of agriculture products" means persons who in the course of a business purchase agricultural products from producers or from their purchasers*

Explanatory statement – These amendments are to reflect the need to remove the restriction that the obligations are for first purchasers only and allow the Secretary of State to deal with the contractual problems where they arise.

The first amendment confers duties rather than powers on the Secretary of state to deliver on this power as it is vital the farm sector is protected from unfair trading practices and evidence is strong that abuse is still common.

The second amendments reflect Sustain and many farmer organizations' long-held position that supporting vibrant, efficient and fair agricultural supply chains requires a regulation that is able to look at the *whole* of a supply chain rather than being restricted to one link in the chain. The scope of the legislation as it is currently drafted is limited to the relationship between the producer and the *first* purchaser – which will mean that large sections of the food supply chain (including many processors, brands and aggregators) will remain outside of the remit of any new regulator established by this Bill or the Groceries Code Adjudicator. The enforcement body needs to be able to address issues where they occur and not be restricted to only one part of the chain.

Background

We welcome the Bill content on Fair Dealing and explanatory text, which has the potential to address, if given statutory duties, amended and adequately resourced, many of the problems inherent in the UK's food supply chain. Sustain has played a leading role in achieving the inclusion of the fair dealing obligations in the draft UK Agriculture Bill, having financially and vocally supported the [Grocery Code Action Network](#) over the past years. This Network has very considerable technical expertise on the issue of regulating for fair dealing in the supply chain, which we believe will benefit everyone, including primary producers. The fact that the Bill includes producers outside of the United Kingdom is welcome.

We would want to see in the secondary legislation that <u>*all*</u> sectors will be covered by codes to ensure they are not confined to certain sectors as suggested in the explanatory note (which currently says "*which will initially be introduced in the sectors where voluntary codes have been unable to significantly improve contractual relationships (for example dairy)*". We will also need to ensure the body undertaking enforcement has adequate powers and resources to undertake the role including recognition of the requirements for absolute confidentiality, own-initiative investigations, and liaison with the existing Groceries Code Adjudicator.