



Mick Antoniw
Committee Chair
Constitutional and Legislative Affairs Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

5

December 2018

Dear Mick

Further to my appearance at Committee on 5 November, I am writing to respond further to the Committee's questions regarding the UK Agriculture Bill.

I was clear during the scrutiny session I would not recommend the National Assembly for Wales gives its consent to the Bill until outstanding issues are resolved, in particular, the red meat levy and WTO clauses.

I am pleased to be able to inform the Committee the red meat levy issue has now been resolved to my satisfaction. A Government-supported amendment now forms part of the Bill. I am content the amendment accurately reflects the mechanisms for levy collection in Wales and provides an appropriate means to resolve the long-standing issue of repatriation of red meat levy.

On the issue of WTO rules, I have had positive discussions recently with the Secretary of State for Environment, Food and Rural Affairs. Officials are also making good progress in finding a solution. I hope to be able to agree an approach which meets the principles of the Inter-Governmental Agreement and respects the devolution settlement. It may not be necessary to amend the Bill itself to achieve this. It could be possible to reach a satisfactory outcome through an agreement between Governments as to how the existing provision should operate. I am hopeful we will be able to reach agreement with the UK Government on this remaining issue. I will then be able to recommend the Assembly gives its consent in due course.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The Committee asked me to consider the need for a sunset clause for the Welsh provisions in the Bill. I will, of course, continue to reflect on this as Parliament and the Assembly continue to scrutinise the Bill. However, my intention is still for the powers to be transitional and for them to be superseded by a Wales Agriculture Bill, using the most suitable legal mechanism for doing so at the appropriate time.

As requested, I attach the joint statement issued by the Welsh Government and the UK Government on 12 September on progress with developing frameworks for agricultural support. As agriculture is a devolved area, the key point is each administration of the UK will have the opportunity to develop policy to suit their own unique circumstances once the UK has left the EU. Work will continue with the appropriate governance put in place at the appropriate time. The Ministerial Quadrilateral forum last met in Cardiff on 19 November and considered progress on the development of frameworks from across the portfolio. The four Administrations have agreed to progress work on strengthening the governance arrangements and structures ahead of the UK's departure from the EU, including revising the current Ministerial Quadrilateral forum.

Finally, I noted the Committee's concern regarding the Delegated Powers and Regulatory Reform Committee's report on the UK Agriculture Bill. I would like to reassure the Committee I am carefully considering the report with the UK Government and will respond to the points raised, as is traditional, as the Bill passes through the House of Lords.

A handwritten signature in blue ink that reads "Regards" on the top line and "Lesley" on the bottom line. The signature is fluid and cursive.

Lesley Griffiths AC/AM

Ysgrifennydd y Cabinet dros Ynni, Cynllunio a Materion Gwledig
Cabinet Secretary for Energy, Planning and Rural Affairs

Agricultural Framework Progress Update: September 2018

A joint statement by the UK Government and the Welsh Government

As agriculture is a devolved area, each administration of the UK will have the opportunity to develop policy to suit their own unique circumstances once the UK has left the EU. Both the UK Government and the Welsh Government have consulted separately on new agriculture policies to replace the Common Agriculture Policy (CAP) in England and Wales, respectively.

The UK Government published a 'Framework Analysis' policy paper in March 2018. This paper set out 153 areas where EU law currently intersects with devolved competence. This is where the UK Government and devolved administrations would need to work together to determine whether we would need UK or GB wide common approaches in future. It will be guided by the principles agreed at JMC (EN) in October 2017. The paper also identified a list of 24 policy areas to be subject to more detailed discussion to explore whether a legislative common framework arrangement might be needed, in whole or in part. The list included "agricultural support".

As we leave the EU and the CAP, we want our farmers and those with an interest in agriculture to be clear that we have been and will continue to work closely together. We want to achieve better outcomes for our farming industry, and to facilitate an open and transparent dialogue as our proposals develop.

The Agriculture Bill provides both administrations with new powers to bring replacement schemes into effect, as well as extending some provisions to Northern Ireland.¹ However, the Bill does not contain a legislative framework for these powers. This reflects the fact that the UK Government and Welsh Government are of the view, based on discussions to date, that the vast majority of policy areas can be suitably managed through non-legislative, inter-governmental coordination.

As part of this process, we are proposing to develop an administrative framework for coordinating agricultural support spending and changes to marketing standards. The aim of this is to ensure effective co-ordination and dialogue between the administrations on how any changes to legislation in one part of the UK may affect other parts. This framework will tie in closely with planned common UK frameworks being developed for other policy areas. There are other areas identified within "Agricultural Support" that we are expecting to work on while the Agriculture Bill passes through the UK Parliament. These include market intervention and data collection and sharing. Other agriculture-related frameworks within the 24 identified, on organic farming, the environmental release of GMOs, zotech and fertiliser regulations are also being discussed. Our joint aim is to reach agreement on all of these areas in order for frameworks to be in place by the end of the Implementation Period (December 2020).

We are also discussing arrangements for cross-border holdings, which is of particular interest to the numerous farmers along the English/Welsh border. We are aware that farmers with holdings that straddle borders and those with holdings located in another administration will want to ensure their businesses can operate as smoothly as possible. Our intention here is to reduce bureaucracy and to provide clarity for these businesses.

It is still the ambition of the UK Government and the Welsh Government to work towards a UK-wide approach where that is necessary. We fully expect our close collaboration to continue with the Department of Agriculture, Environment and Rural Affairs in Northern Ireland (DAERA) and the Scottish Government over the next 18 months to agree and

implement administrative frameworks to set out future working and coordination on agriculture. As part of that process, we welcome the views of Parliament, the devolved legislatures and wider stakeholders on these proposals.

ⁱ Given the absence of local Ministers in Northern Ireland to take decisions about future agricultural policy, UK Government Ministers have sought to ensure as far as possible that the status quo can be maintained until a new policy direction can be established. There is a need to take care not to prejudge or constrain the ability of an incoming Minister, NI Executive and NI Assembly to decide what is appropriate for the Northern Ireland agri-food sector. The overarching principles that have been applied when considering the extension of clauses to NI are:

- to ensure the continuation of a legal basis to provide the current suite of agricultural support payments (and options) post EU exit;
- to ensure that the NI Executive has maximum flexibility to develop future agricultural policy consistent with the principles agreed by JMC(EN), including ensuring the functioning of the UK Internal Market; and
- that the Agriculture Bill does not constrain the ability of the NI Executive to continue current schemes and options available under the Rural Development Programme and Common Market Organisation provided for by existing and retained EU legislation, for as long as NI Ministers consider this appropriate.