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The Parliamentary Update is a record of recent and upcoming events in the Scottish Parliament, Westminster and the European Parliament, including committee work, debates and questions, both written and oral, to the Scottish and UK Governments. For further information about any aspect of this document please contact Sarah Anderson on 0131 472 4108 or e-mail sarah.anderson@nfus.org.uk

The European Parliament is in recess until Monday 30 August 2010 and Westminster and the Scottish Parliament are in recess until Monday 6 September 2010. NFU Scotland will continue to meet MPs, MSPs and MEPs throughout the summer, in particular at the shows. If you would like to make contact or raise an issue with any of your representatives during the summer, please feel free to get in touch with Sarah Anderson.

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HOUSE OF COMMONS

ORAL QUESTIONS

27 July 2010

Scottish Economy



Julian Smith (Skipton and Ripon) (Con): What recent discussions he has had with CBI Scotland on the condition of the Scottish economy.



The Secretary of State for Scotland (Michael Moore): I have had productive discussions with CBI Scotland and others on the Scottish economy, as has my right hon. Friend the Under-Secretary, and I plan to meet them again in the near future. Our

plan to cut the record budget deficit that this Government inherited is the key to ensuring a sustained economic recovery.

Julian Smith: In the years to come, it must be the private sector that creates the growth and jobs in Scotland; it is not realistic to have an ever-increasing public sector there. Does the Secretary of State agree that for my constituents in Skipton and Ripon to be funding an ever-expanding Scottish state is an unfair situation?

Michael Moore: Across the United Kingdom we inherited a huge deficit in the public finances, which we have to tackle. If we do not, it will not be in just the private sector but the public sector where difficulties will arise.



Angus Robertson (Moray) (SNP): Recent economic indicators show that the recession in Scotland has been shorter and shallower than in the rest of the UK, but the recovery is fragile. Does the Secretary of State therefore agree that the case for proper financial responsibility in Scotland to help drive economic growth makes sense?

Michael Moore: I quite accept the underlying figures that the hon. Gentleman refers to, and the situation in Scotland and in the whole of the UK is indeed challenging. However, as far as future financial accountability and other issues in Scotland are concerned, we believe that the Calman proposals, as we will bring forward in this House, offer the best way forward.

Angus Robertson: Professor Andrew Hughes Hallett, who advised the Calman commission, says that proper fiscal responsibility could significantly add to Scotland's GDP. Is the Secretary of State looking closely at the proposals for growth and not just a funding mechanism, which will not achieve that?

Michael Moore: I am sorry but I do not accept the hon. Gentleman's proposition, and nor should he ignore the others who sat with Professor Hughes Hallett on the Calman commission expert group. They have recently again made it plain that they believe these are the most appropriate powers to give to Scotland at this time.



Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): In my right hon. Friend's discussions with the CBI, did he recognise that it is very important to build on the success stories in Scotland in order further to advance the Scottish economy? To that end, with the north-east of Scotland providing so much revenue to the Treasury, will he ensure that all levels of government realise how important it is that there be no barriers to investment there, and that companies locating there benefit both the region and the UK?

Michael Moore: My hon. Friend is absolutely right about that, and in getting private sector-led recovery in this country, businesses such as those in the energy sector in the north-east will be absolutely critical. I take on board all the observations he makes.



Mr Brian H. Donohoe (Central Ayrshire) (Lab): The right hon. Gentleman is having meetings with the CBI, but does he understand that the Government's cancelling the third runway at Heathrow will have a remarkable effect on Scotland's air transport system? What is he going to do about that?

Michael Moore: We fundamentally disagree with the proposal for the third runway, as the hon. Gentleman understands; we do not believe that it is appropriate either economically or environmentally. The important point is that, by ensuring that we work with the private sector across the whole of government—be it our proposals in the Budget to reduce corporation tax, or the many others to do with banking reform—we believe that we will create the right conditions for the private sector and the transport sector to recover and have a sustainable future.



Mr Jim Murphy (East Renfrewshire) (Lab): Scottish employers know that the future jobs fund helps people back into work. The Secretary of State for Scotland claims that it is unsustainable, but he will not publish a shred of evidence to back up his assertion. Employers, the unemployed and even Liberal Democrats in his own

constituency support the future jobs fund. As unemployment continues to rise across Scotland, I ask the Secretary of State this specific question: will he now agree to lobby the Chancellor to maintain the future jobs fund in Scotland?

Michael Moore: We had this exchange during the last Scottish questions, and the right hon. Gentleman has repeated the phrase I used. If I may, I will repeat the point I made then. The future jobs fund was not sustainable in the form it was in. May I remind him, as I did then, that places are still available under that scheme, which will run through to March next year? Some 11,000 places have been funded, but they were temporary, short-term jobs. We believe that a new system of supporting the unemployed is the best way forward.

Mr Murphy: So, the Secretary of State will not publish a shred of the evidence behind his assertion, and today he has confirmed that he will not even listen to Scotland and meet the Chancellor in order to maintain the future jobs fund and help the unemployed in Scotland. Does he not share the sense of anger across Scotland about the policy immorality of a gang of millionaire politicians cutting support to the most vulnerable people across Scotland? The only surprise for many people in Scotland is that he, as a Liberal Democrat, is going along with it. But perhaps Scotland should not be surprised, because he is fast developing a reputation not as Scotland's man in the Cabinet, but as the Tories' salesman in Scotland.

Michael Moore: The immorality would be for us to do nothing about the legacy left behind by the right hon. Gentleman's Government, which is undermining the public sector and any prospect of a private sector recovery.

MINISTERIAL STATEMENTS

22 July 2010

Agriculture and Fisheries Council



The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): My hon. Friend the Minister of State for Agriculture and Food represented the United Kingdom at the Agriculture and Fisheries Council in Brussels on 12 July, the first under the Belgian presidency.

Belgium's Federal Agriculture Minister (Laruelle) and Flemish Minister-President (Peeters—who will chair fisheries items at Council), gave an overview of their priorities for the next six months. On agriculture, there will be a continuation of discussions of future CAP in advance of the forthcoming communication; and legislative proposals on dairy, food for the needy and quality policy. There would also be other discussions on the transmissible spongiform encephalopathy (TSE) roadmap, animal health strategy and the regulatory framework on genetically modified organisms (GMOs). On fisheries there would be the annual cycle of decisions on total allowable catches (TACs) and quotas, but also discussion on CFP reform, in particular on the link between science and fisheries.

Commissioner Ciolos introduced the dairy high level group recommendations as a means to enable the EU to achieve market stability for the milk sector and pave the way for a future without quotas. There will be a legislative package at the end of the year concentrating on the first three recommendations on contractual relations, bargaining power of producers and the role of producers (POs) and interbranch organisations (IBOs).

Council was divided between those calling for more regulatory and market management intervention, and those urging more competitive responses, using the full scope of existing provisions. Some called for mandatory contracts between producers and milk purchasers, but others, led by the UK, wanted these kept voluntary.

The UK and the Netherlands argued that no changes were needed to competition law to allow better functioning of the milk supply chain, but a number of others urged relaxations of competition rules to allow producers more scope to manage sales.

Origin labelling also featured, with a number of member states against compulsory labelling, whilst others preferred voluntary labelling, especially for imitation products. On market measures there was broad consensus that reform should continue, but still a need for some form of safety net.

There was a mixed response on POs and IBOs, with France and most southern Europeans wanting their powers extended in the milk sector.

Northern member states urged caution around changes to role of POs and IBOs, warning against with the risk of creating an IBO monopoly.

The UK stressed the need for rebalancing producer power, but noted that there was already scope to do so under current rules and that it should not interfere with free market principles. The UK also underlined the clear differences in market organisation between member states-one size solutions would not fit all, and any legislation would have to minimise burdens.

The presidency (Laruelle) plan Council conclusions to steer the Commission's legislative package for the September Council.

Next, Ciolos noted the derogation from the state aid rules which allowed the German alcohol monopoly to buy spirits from certain distillers at guaranteed prices. The German authorities accepted that the derogation could not continue and therefore it was proposed that this be phased out by 2013, although Germany would be able to continue paying state aid to the sector up to 2017. Germany concurred and in order to allay concerns about distortion to the market, highlighted that the monopoly only represented less than 1% of the EU market of ethyl alcohol and that there was free access to its market for spirits produced elsewhere in the EU. The special Committee on agriculture (SCA) would continue discussions on the proposal in September.

Under any other business, Lithuania (with some support) requested that it be allowed to make advance direct payments (from 16 October rather than 1 December) to farmers due to the exceptionally harsh winter which had led to the loss of winter crops in many areas. The Commissioner said his services would deal with any individual request made, but stressed that member states must demonstrate that the circumstances were truly exceptional.

Review of Controls on the Import of Animal Products 2009-10



The Minister of State, Department for Environment, Food and Rural Affairs

(Mr James Paice): As required under the Animal Health Act 1981 (as amended by the Animal Health Act 2002) the Government will publish today a review of controls on the import of animal products for the financial year 2009-10. As the new Minister of State for Agriculture and Food, I welcome the opportunity to report on the efforts of DEFRA and other Government Departments and agencies during the past year to reduce the risk of disease entering the country via imports of animal products.

Imports of animal products from outside the European Union (EU) bring with them the risk of animal diseases which, as we know, could potentially introduce disease to our livestock and crops and to the environment. The risk can also be to public health-diseases such as highly pathogenic avian influenza type H5N1 can infect humans and are of serious public concern-and also be high economic cost as we know from the outbreak of foot and mouth disease (FMD) in 2001 which is estimated to have cost £3 billion relating to agriculture and the food chain. Effective enforcement and raising public awareness are therefore key to ensuring that we meet our objective.

Controls are already in place to carry out veterinary checks on legally imported animal products from non-EU countries. UK Border Agency (UKBA) delivers a flexible, risk based enforcement strategy to prevent illegal imports including using information from DEFRA on the entry routes that pose the greatest threat of introducing animal disease.

DEFRA with UKBA and the Food Standards Agency (FSA) have undertaken a focused publicity campaign as part of the overall communications strategy-inland within GB, at the border and also overseas. During this last year we have seen the re-launch of the personal food imports campaigns for general travellers in October 2009 and for the black and minority ethnic (BME) communities in November 2009.

The changes to the EU personal import rules in May 2009, in particular an increase to the personal concession amount allowed for fish, has enabled UKBA to refocus deployments to target the high risk routes for illegal meat and dairy products carried by incoming travellers more effectively. The number of seizures of illegal imports of animal products have therefore shown a 3% increase this year with seizures of meat and dairy products up by 14% and 45% respectively.

We can never have a zero risk but we monitor and assess the changing threats from around the world (such as the evolving FMD situation in South East Asia), and work with UKBA and other enforcement partners to ensure that our enforcement activity is targeted at the current risks.

Copies of the review will be placed in the Libraries of both Houses, on the DEFRA personal food imports website (<http://www.defra.gov.uk/foodfarm/food/personal-import/index.htm>), and sent to DEFRA customers for information giving them the opportunity to provide their feedback. Hard copies will also be available on request.

WRITTEN QUESTIONS

27 July 2010

Food Standards Agency



Tom Greatrex: To ask the Secretary of State for Scotland what discussions he has had with the Secretary of State for Health on the change in functions formerly carried out by the Food Standards Agency in Scotland.

Michael Moore: The Secretary of State for Health has decided to transfer nutrition policy for England from the Food Standards Agency (FSA) to the Department of Health. The FSA retains current responsibility for nutrition policy in Scotland.

Agriculture and Fisheries Council: Devolution

Tom Greatrex: To ask the Secretary of State for Environment, Food and Rural Affairs what recent discussions she has had with the Scottish Executive on the attendance of representatives of the devolved administrations at meetings of the Agriculture and Fisheries Council.

Mr Paice: The Secretary of State and I met recently with Richard Lochhead, Cabinet Secretary for Rural Affairs and Environment at the Scottish Executive. One of the issues discussed was devolved Administration Ministers' attendance at the Agriculture and Fisheries Council.

EU Agriculture and Fisheries Council

Tom Greatrex: To ask the Secretary of State for Environment, Food and Rural Affairs on how many occasions in each year since July 1999 Ministers in the Scottish Executive have (a) attended, (b) spoken on behalf of the UK and (c) taken the lead in meetings of the Agriculture and Fisheries Council to discuss (i) agriculture items and (ii) fisheries items.

Mr Paice: Ministers from the Scottish Executive regularly attend meetings of the Agriculture and Fisheries Council. In line with the concordat/memorandum of understanding with devolved Administrations, the UK Minister speaks on behalf of the UK on agriculture and fisheries issues at council.

Food: Labelling



Jim Fitzpatrick: To ask the Secretary of State for Environment, Food and Rural Affairs pursuant to the Prime Minister's written ministerial statement of 20 July 2010, *Official Report*, column 12WS, on Machinery of Government changes, what assessment she has made of the effects on the (a) budget and (b) staffing level of her Department of the change to her Department's responsibilities in respect of food labelling.

Mr Paice: We are finalising staff numbers and associated budget but approximately 25 labelling and food composition policy posts will be moving to DEFRA.

Jim Fitzpatrick: To ask the Secretary of State for Environment, Food and Rural Affairs pursuant to the Prime Minister's written ministerial statement of 20 July 2010, *Official Report*, column 12WS, on Machinery of Government changes, when she expects to publish details of her Department's new responsibilities in respect of food labelling.

Mr Paice: As set out in the press release published on the DEFRA website on 20 July, DEFRA is now responsible for:

- policy on food labelling, where this does not relate to food safety or nutrition. This includes country of origin labelling;
- policy on food composition standards and labelling, where unrelated to food safety;

- leading within Government on the EU Food Information Regulation and other EU negotiations on food labelling except for safety or nutrition aspects.

Jim Fitzpatrick: To ask the Secretary of State for Environment, Food and Rural Affairs pursuant to the Prime Minister's written ministerial statement of 20 July 2010, *Official Report*, column 12WS, on Machinery of Government changes, what criteria will be used to determine those aspects of food labelling and food composition policy which are the responsibility of her Department. [10839]

Mr Paice: For England, policy on food labelling and food composition, other than that relating to nutrition or to food safety, has been transferred to DEFRA, and policy relating to nutrition labelling will transfer to the Department of Health. These changes will allow the FSA to focus on its core remit: ensuring all aspects of food safety, underpinned by scientific expertise.

The changes will strengthen food policy in DEFRA and support the Government's commitment to give consumers better information on where their food comes from.

Genetically Modified Organisms



Mr Meacher: To ask the Secretary of State for Environment, Food and Rural Affairs what research projects involving genetically-modified (a) crops, (b) food and (c) feed her Department has funded since 1997; what the (i) topic, (ii) start date, (iii) cost and (iv) project code was of each such project; who the main contractor was in each case; and which such projects have been completed to date.

Mr Paice: The following table lists research projects commissioned by DEFRA or its predecessors relating to GM crops, food and feed. It does not include some projects that were completed before the establishment of DEFRA in 2001, for which details are not readily available. Most of the DEFRA projects in this area relate to the risk assessment of GM organisms and the coexistence of GM and non-GM crops, rather than the development of GM crops as such.

The table is lengthy, but if you would like to see a copy you can do so by following this link: <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100727/text/100727w0008.htm#10072820000081>

26 July 2010

Food: Procurement



Caroline Lucas: To ask the Secretary of State for Environment, Food and Rural Affairs what steps her Department is taking to promote the procurement of food produced with the lowest possible greenhouse gas emissions in the public sector.

Mr Paice: We are in the process of considering criteria for Government Buying Standards (GBS) to ensure the public sector procures sustainable food and catering services. GBS are mandatory for central Government Departments and their Executive agencies and the standards will be promoted to the wider public sector.

DEFRA supported the development of PAS2050, a publicly available standard for calculating greenhouse gas footprints, which suppliers can use to report the footprint of their products. DEFRA-funded research demonstrated its applicability for food products.



Hilary Benn: To ask the Secretary of State for Environment, Food and Rural Affairs pursuant to the answer of 1 July 2010, to question 4421, on procurement of

food, which public sector bodies have improved the quality and sustainability of the food they serve whilst maintaining or reducing the overall cost.

Mr Paice: In October 2008 DEFRA commissioned accounting and consultancy firm Deloitte to carry out an independent evaluation of the Public Sector Food Procurement Initiative (PSFPI).

Deloitte's evaluation of the PSFPI was published by DEFRA in March 2009, and includes examples of public sector bodies which have improved the quality and sustainability of food procurement while reducing the overall cost. For example, the North East Public Sector Food Programme made cashable savings of over £165,000, Bradford City delivered 'better quality school meals at no extra cost' and Shropshire School Meals Service improved the quality of school fruit and vegetables while making an overall saving of 11%.

21 July 2010

Common Agricultural Policy



Priti Patel: To ask the Secretary of State for Environment, Food and Rural Affairs when she expects the EU to approve arrangements for post-2013 reform of the Common Agricultural Policy. [10093]

Mr Paice: EU negotiations on reform of the Common Agricultural Policy (CAP) will begin following the European Commission's Communication on CAP, which will be published towards the end of 2010. Detailed legislative proposals are due in 2011. Negotiations should conclude in time for the start of the next Financial Perspective in 2014.

Priti Patel: To ask the Secretary of State for Environment, Food and Rural Affairs what her policy is on the reform of the Common Agricultural Policy after 2013.

Mr Paice: We want to see a competitive, thriving and sustainable EU agriculture sector. Ambitious reform of the Common Agricultural Policy is needed to enable farmers to rise to the challenges and opportunities of the future. Reform must deliver good value for money for farmers, taxpayers, consumers and the environment. It must prepare the agriculture sector for the long term, be affordable, be significantly better at delivering public benefits and reduce the burden of regulation on farmers.

HOUSE OF LORDS

PARLIAMENTARY QUESTIONS

28 July 2010

Genetically Modified Crops



The Countess of Mar: To ask Her Majesty's Government what scrutiny applications for genetically modified approvals from Monsanto are given by the Food Standards Agency, in light of its rating by the Swiss company Covalence as the most unethical of 581 multinationals.



The Parliamentary Under-Secretary of State, Department of Health (Earl Howe): Applications for authorisation of genetically modified food and feed are evaluated by the European Food Safety Authority, as required by Regulation (EC) No 1829/2003. Evaluations are made on the basis of the available evidence and the

authority's published guidelines for risk assessment of genetically modified food and feed, and do not discriminate between individual applicants.

The Countess of Mar: To ask Her Majesty's Government whether the studies submitted by applicants for consent for genetically modified foods and crops are required (a) to demonstrate certified good practice, (b) to use the protocols in the Organisation for Economic Co-operation and Development guidelines, and (c) to meet the standards of the Codex Alimentarius.

The Countess of Mar: To ask Her Majesty's Government whether external and independent auditing is required for all scientific data submitted in support of applications for genetically modified food or crop approval.

Earl Howe: The European Food Safety Authority (EFSA) is responsible for carrying out the risk assessment of genetically modified organisms in the EU. Through its published guidance, the EFSA's GMO panel applies a case-by-case approach, treating each application as unique. Fixed-test protocols are requested by the EFSA, especially for scientific issues where harmonisation of test methods is possible and validated test methods are agreed upon by international risk assessment bodies: for instance, on the testing of chemical substances. However, the guidance is not completely prescriptive about the use of specific study protocols, and does not stipulate a mandatory list of exactly which tests should be done as the requirements will vary according to the type of genetically modified product being assessed.

The EFSA also stipulates that the studies that are submitted for evaluation should be carried out according to the Organisation for Economic Cooperation and Development (OECD) principles of good laboratory practice, where applicable, and accompanied by a formal statement of quality assurance. The EFSA's approach to risk assessment of food from genetically modified plants is consistent with that of the Codex Alimentarius.

The evaluations are carried out by the EFSA's GMO Panel, which is composed of independent external experts. There is no additional requirement for external independent auditing of the data submitted in support of such applications.

The Countess of Mar: To ask Her Majesty's Government, further to the Written Answer by Lord Davies of Oldham on 8 March (WA 11), what is their assessment of the experimental protocols and integrity of animal feeding trials for (a) MON810, (b) MON863, (c) A580, (d) LY038, (e) the stacked variety LY038 x MON810, and (f) RR soya GT73; and whether any concerns have been brought to the attention of the regulators.

Earl Howe: The European Food Safety Authority (EFSA) is the centralised body which has responsibility for carrying out risk assessments for genetically modified food and feed in the European Union. EFSA has completed assessments of three of these genetically modified (GM) crops, namely MON810 maize, MON863 maize; and GT73 oilseed rape, including the results of the relevant animal feeding studies.

Applications for the authorisation of LY038 maize and for LY038 x MON810 maize were withdrawn by the applicant, citing a reduced commercial interest in these products. No application has been made in relation to a GM crop called A580.

An application for renewal of authorisation of genetically modified Roundup Ready soya is currently being evaluated by EFSA. In 2005, 2006 and 2009 the Advisory Committee on Novel Foods and Processes (ACNFP) considered published reports of potential adverse effects on rats and mice that had been fed Roundup Ready soya. The ACNFP advised that it was not possible to draw conclusions based on the design and reporting of these studies.

EFSA considers any concerns raised regarding the safety of genetically modified crops, whether authorised or undergoing authorisation, provided these are supported by reasoned arguments or scientific data. In the case of MON810 maize and MON863 maize, EFSA has provided additional advice following the publication of critical assessments of the feeding studies. The Food Standards Agency has also sought advice from the ACNFP on these reports. To date, none of the concerns raised have caused EFSA or ACNFP to alter their opinion on the safety of these crops.

The Countess of Mar: To ask Her Majesty's Government whether applicants for consents for genetically modified crops and foods are required to submit studies that highlight any potentially adverse health, environmental or nutritional effects.[HL1520]

Earl Howe: The application and authorisation procedures for genetically modified food and feed are laid down in EU Regulation 1829/2003. This regulation obliges applicants to provide a copy of the studies that have been carried out to demonstrate the safety of the food or feed, including any independent peer-reviewed studies.

27 July 2010

CAP Direct Payments



Lord Livsey of Talgarth: To ask Her Majesty's Government whether they have reached conclusions on the findings of the Department for Environment, Food and Rural Affairs-funded Dutch Agricultural Economics Research Institute (LEI) study of the likely impact on United Kingdom farmers if common agricultural policy direct payments were removed by 2013.



Lord De Mauley: My Lords, I declare an interest as a recipient of the single farm payment. The Dutch Agricultural Economics Research Institute's report, commissioned by the previous Government, is an academic exercise to look at a hypothetical scenario. It should be noted that the data are from 2004 to 2006—a time when exchange rates were unfavourable to the United Kingdom—and fail to account for the 70 per cent increase in UK farm incomes that has since occurred. Finally, there is no chance of direct payments being withdrawn by 2013.

Lord Livsey of Talgarth: My Lords, I thank my noble friend for that reply, but does he not agree that the LEI report indicates that 35 per cent of farms in the UK would become financially unviable if Pillar 1 payments were withdrawn, while 83 per cent of all EU farms would remain viable? Will he seek to reverse the previous Defra policy of abolishing single farm payments, as that would save many UK livestock farms that depend on those payments for their financial viability? The alternative is land abandonment. This subject is very important.

Lord De Mauley: My Lords, I acknowledge the first half of my noble friend's contention, but in my initial Answer I explained that the report data are somewhat out of date and that there have been fairly substantial changes in the economic position for farmers since then. My noble friend is right that the financial perspective for 2014 to 2020 will be negotiated in a scenario of much more limited financial resources being available than before. The Government's view is that Pillar 2 represents a more effective use of those limited resources. However, I am really not expecting direct payments to disappear immediately under the next financial perspective.



Lord Tomlinson: As the noble Lord is a member of a Government who are more and more committed to the role of market forces but is not committing himself imminently to change, what plans do he and the Government have for introducing market forces to agriculture, thus contributing to the savings that they are looking for in every other area of public expenditure?

Lord De Mauley: My Lords, no one thinks that this is going to be easy. In my experience, however, there are very few farms that can claim that they have exhausted all potential for making more efficiencies, so I take the noble Lord's point. Many would benefit from training to improve skills, especially in business management, cost reduction and better marketing strategies, such as through producer organisations. As a whole, the EU has been falling badly behind its global competitors in productivity growth over the past 30 years and the Government are working hard on how this can be reversed.[...]



Lord Willoughby de Broke: Will the Minister reassure the noble Lord, Lord Livsey, and indeed the noble Lord, Lord Tomlinson, that successive French Governments have stated repeatedly that there will be no change whatsoever to single farm payments after 2013? Will he also therefore reassure the British

taxpayer that they will continue to pay for French farming for the foreseeable future?

Lord De Mauley: My Lords, the noble Lord is a noted cynic on this subject. I assure him that the British Government will be negotiating hard at EU level for a reform to the CAP.



Lord Redesdale: My Lords, I apologise. I was slightly confused by the noble Lord, Lord Willoughby de Broke, because he said, "This side", and the Front Bench opposite agreed with him. Will there be any move to deal with the power of the supermarkets in setting prices, which is having a detrimental effect, especially on hill farmers in livestock areas? Indeed, it is one of the major causes of depressed incomes for livestock farmers.

Lord De Mauley: My Lords, I very much take my noble friend's point. He should be aware that the coalition programme for government, which was published on 18 May, made a commitment to introduce an ombudsman in the OFT to enforce the groceries and supply code of practice and to curb abuses of power that act against the long-term interest of both consumers and farmers.



Baroness Quin: My Lords, what strategy are the Government putting in place to build up support among other member states for CAP reform and for promoting our interests? Given that the Lisbon treaty now gives the European Parliament a bigger say in agricultural policy, how are Conservative Ministers and MEPs planning to get support there beyond the small and very motley group of allies that they have at present?

Lord De Mauley: The noble Baroness is right that negotiation needs to go on at EU level; indeed, I can confirm that comprehensive negotiations are continuing. She is also right that it is now a matter of codecision, so those negotiations will need to go on with MEPs.



The Lord Bishop of Blackburn: My Lords, the Minister has already heard that land abandonment is likely to be one of the greatest challenges for a future CAP. The potential loss of upland farms could have a large impact in my diocese and, I know, in many other areas. What consideration is being given to preventing this from happening in future?

Lord De Mauley: I am grateful to the right reverend Prelate for that question. We recognise that the future of the uplands is a matter of considerable concern to a great many people and organisations. We have a wide range of policies and schemes in hand—the uplands entry level scheme and others—to address individual issues raised by the Commission for Rural Communities. We recognise the potential of the uplands for generating greater public goods and we are working on unlocking that.



Lord Grantchester: I declare an interest as a farmer receiving payments. Does the Minister agree that, to capture improved returns, agriculture needs to move beyond primary processing and up the value-added chain? What is Defra doing to help in this regard?

Lord De Mauley: I agree with that. I have explained a bit about what we think is the right way to go in terms of competitiveness. I will leave it at that for today.

26 July 2010

Dairy Industry



Baroness O'Cathain: To ask Her Majesty's Government what plans they have for the dairy industry.

Lord De Mauley: Our goal is a competitive, profitable dairy sector that produces for the market. It should meet consumer needs while protecting and enhancing the environment it depends on to safeguard future production. We are reinvigorating the Dairy Supply Chain Forum, which my honourable friend Jim Paice chairs, to identify and tackle the issues affecting the industry's health. We are developing the milk road map and involving ourselves closely in the EU High Level Group for dairy.

Baroness O'Cathain: My Lords, I thank my noble friend very much indeed for that positive reply to my Question. Does he agree that, despite the vicissitudes of the past 13 years, the dairy industry has shown remarkable resilience and been extremely innovative in its products? In view of the statement made by the Secretary of State in this week's issue of *Country Life* that:

"The growing world population means that food security is becoming a very serious issue", and that she is, "determined to help British agriculture to increase production", does he further agree that it would be a very good idea if the department and the dairy industry got together to work out a long-term strategy for the industry so that, if we do have food shortages, it will be able to cope?

Lord De Mauley: My Lords, the industry is a significant part of British agriculture and is, as my noble friend said, resilient and innovative. Our main strategic thrusts, which cover several objectives, including food security, are active participation in the EU High Level Group for dairy and the Food 2030 strategy. In addition, we are introducing an ombudsman into the OFT to enforce the groceries and supply code of practice, to curb abuses of power and to establish a task force on regulation to identify ways of reducing regulatory burdens on farmers.

Baroness Quin: My Lords, given that the Minister mentioned the idea of the supermarket ombudsman—something to which all parties were committed at the time of the election—has the department for business asked for a second consultation on the establishment of the ombudsman? Is there not a risk that this will further delay the establishment of the ombudsman? What timetable do the Government now propose to set for the establishment of this important post?

Lord De Mauley: My Lords, I am grateful for that question because it allows me to explain that the coalition programme for government, published on 18 May, made a commitment to introduce an ombudsman into the Office of Fair Trading to enforce the GSCOP and to curb abuses of power that act against the long-term interests of consumers. As to the when, about which the noble Baroness asked, we are awaiting the results of the consultation exercise within BIS. This will guide our decision on how best to enforce the GSCOP, which, as I have said, the coalition Government have agreed should be done through an ombudsman.



Lord Williamson of Horton: My Lords, as a former head of the milk division in the Ministry of Agriculture and the owner of a milk churn presented to me by dairy farmers, may I invite the Minister to agree that we have excellent dairy farmers here and excellent natural conditions in the United Kingdom for the production of milk from grass? In order that we can all have the benefit of these advantages, can we make a special effort to ensure that milk is produced and marketed in fair conditions?

Lord De Mauley: I am grateful for that question, which brings us back to the issue of the ombudsman, whose duties will be precisely that. I agree very much with what the noble Lord says.



Lord Lea of Crondall: My Lords, is the Minister aware that, in the European Union, Britain is not atypical in subsidising each cow by £900 per annum? Is he further aware that in the two countries outside the EU that are much vaunted by Eurosceptics outside-that is, Switzerland and Norway-each cow is subsidised by £9,000 per annum?

Lord De Mauley: My Lords, I am not entirely sure what the question was, but we think that competitiveness is extremely important in this market.

Lord Livsey of Talgarth: My Lords, when the supermarket ombudsman is in his place, will the Minister take action to make it illegal for retail milk to be sold for less than the cost of production? It is the reason why 14,000 dairy farmers have left the industry since 1997 and why we have only 11,000 left. The ombudsman should use his powers to address that problem immediately.

Lord De Mauley: I acknowledge my noble friend's point, but it will be up to the ombudsman to make these sorts of decisions. Industry tells us that there are grounds for cautious optimism in the dairy industry. The continuing decline in production has put pressure on buyers to pay more remunerative prices. Secondly, most major retailers now have dedicated groups of farmers supplying them with milk in return for premium prices.[...]

The Lord Bishop of Bradford: My Lords, does the Minister accept that, if young people are to come into the dairy farming industry, superfast broadband is a necessity? Can he confirm that superfast broadband will be rolled out to the one-third of farmers who are unable to access it?

Lord De Mauley: My Lords, the Government are very keen that broadband should be rolled out. Ministers intend to provide a strong lead in driving forward rural policy, such as ensuring that rapid rollout.[...]



Lord Davies of Coity: My Lords, does the Minister agree that the discounting of milk by the processors and the abolition of the Milk Marketing Board have damaged the dairy industry considerably?

Lord De Mauley: My Lords, I think we need to move on to the future, which is, as I have tried to explain, reasonably positive for the industry.

Ends