

# **PUBLISHED REPLACEMENT EU ACT INITIAL ASSESSMENT OF IMPACT**

**DSC REF: DSC/01a/2025**

## **Published Replacement EU Act**

[Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations \(EU\) No 1308/2013, \(EU\) 2021/2115 and \(EU\) 2021/2116 as regards the strengthening of the position of farmers in the food supply chain](#) (COM/2024/577, published 10.12.2024)

This Regulation proposes to amend parts of [Regulation \(EU\) 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations \(EEC\) No 922/72, \(EEC\) No 234/79, \(EC\) No 1037/2001 and \(EC\) No 1234/2007](#). Only one of the proposed amendments is relevant to the Windsor Framework

The rest of the changes being made are not relevant to the Windsor Framework

## **Summary of the Act**

The Regulation seeks to strengthen the position of farmers in the agri-food supply chain by: (i) simplifying the rules on recognition of producer organisations; (ii) reinforcing the rules on contractualisation; (iii) setting out rules on the use of cross-sectoral optional terms for “fair”, “equitable” and equivalent terms, as well as for “short supply chains”; (iv) introducing the possibility to grant Union financial support to Member States for measures undertaken by operators in periods of severe market imbalances; and (v) improving the degree of organisation of the farming sector in Member States by supporting producer organisations implementing operational programmes, and improving the take-up of sectoral interventions in the other sectors as referred to in Article 42(f) of Regulation (EU) 2021/2115.

The only part of this proposed Regulation that falls within scope of the Windsor Framework is the new Article 88a which lays down requirements on the use of optional reserved terms “fair”, “equitable” or terms equivalent to these terms on the labelling, in the presentation, on advertising material or on commercial documents of agricultural products. The Commission states that this is intended to increase trust and fairness along the food supply chain.

There are also restrictions on the use of the term “short supply chain”. The Commission states that this will incentivise consumers to pay prices that fairly

remunerate farmers for what they produce, strengthen and contribute to the development of rural areas, improve transparency regarding the origin and production methods of the products.

These relate to optional reserved terms that can be used for value-adding product features or production processes and complement existing food labelling. These rules would apply to a wide range of agricultural products detailed in Annex A.

Therefore, if the proposed new Article 88a were to apply in Northern Ireland, it is the Department's assessment that any business that wishes to use the terms 'fair', 'equitable', or terms equivalent; on the labelling, in the presentation of, on advertising material, or on commercial documents of a product of the applicable sectors (see Annex A); would have to comply with the conditions at Article 88a (1). Similarly, those businesses that wish to use the term 'short supply chain' on the labelling, in the presentation of, on advertising material, or on commercial documents of a product of the same sectors; would have to comply with the conditions at Article 88a (2)

This is the first proposed version of this Act and therefore no changes have been made thus far.

### **Department(s) Responsible**

The Secretary of State for Department for Environment, Food and Rural Affairs, would automatically be responsible for DAERA functions in connection with the proposed new EU Regulation amending Regulation (EU) 1308/2013 after adoption by the Commission.

### **Initial Assessment of Impact**

It is not likely that the proposed amendments would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist.

It is not likely that not applying the replacement EU act would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist.

The use of an optional term on the labelling or in the marketing of a product enables clearer communication to the consumer of the added value of the product by its specific characteristics or farming or processing attribute. The new Article 88a establishes minimum requirements for the use of the optional terms 'fair', 'equitable' or equivalent terms and 'short supply chain' to describe a particular product.

The regulation of these new terms extends to anyone selling the applicable products and has a much broader application than those “optional reserved terms” currently regulated for under Article 88 and Annex IX of Regulation 1308/2013, which concern value-adding production characteristics in the poultrymeat, egg and olive oil sectors (e.g. terms such as “free range”, “fresh”, and “first cold press”).

However, since these new terms have never been regulated before, and in advance of any specific UK stakeholder feedback, it is difficult to assess the potential uptake of such terms or the extent of the Regulation’s likely impact.

Furthermore, paragraphs 3 and 4 of the proposed new Article 88a grant the Commission the power to adopt implementing or delegated acts to specify further conditions under which these terms can be used, or to add terms that are considered equivalent and subject to the Article’s conditions. It is the initial view of the Department that any such future acts would be automatically applicable to Northern Ireland under the Windsor Framework if the proposed new Article 88a applies in Northern Ireland. The Department would assess the implications of any such acts, including any proposed enforcement or reporting arrangements set out therein, when available.

## **UK Government Explanatory Memorandum**

An Explanatory Memorandum is not yet available but DAERA officials understand it is being developed by the UK Government and will be shared in due course.

## **Analysis by the European Commission on its Impact Assessment**

The European Commission did not conduct an impact assessment in view of the urgency to act to respond to the pressing challenges that the agricultural sector is currently facing. The impact of the proposal will depend on the take-up of certain voluntary measures by farmers and buyers of agricultural products, as well as on the decisions of Member States to make use of the options and derogations provided.

The proposed measures were developed on the basis of input received from stakeholders, in particular the enlarged Civil Dialogue Group meeting, the European Network of the Competition authorities and in bilateral meetings involving all relevant EU based associations within the agri-food supply chain, including consumers, as well as from the Chairman of the European Parliament’s Committee for agriculture and rural development.

There is no reference to engagement with NI stakeholders in the initial proposal, however, the Commission has now opened an 8-week period of consultation until 10 March 2025 via the ‘Have Your Say’ portal. NI stakeholders will be able to

respond to that consultation. The Department will consider any feedback received from UK stakeholders.

### **Departmental Engagement**

As a new proposal which was published in December, there has been limited engagement with Defra regarding the proposed Regulation thus far.

## **Annex A – List of products that Article 88a would apply to**

[Proposed by REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations \(EU\) No 1308/2013, \(EU\) 2021/2115 and \(EU\) 2021/2116 as regards the strengthening of the position of farmers in the food supply chain](#)

- cereals
- rice
- sugar
- dried fodder
- seeds
- hops
- olive oil and table olives
- flax and hemp
- fruit and vegetables
- processed fruit and vegetable products
- bananas
- wine
- live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage
- tobacco
- beef and veal
- milk and milk products
- pigmeat
- sheepmeat and goatmeat
- eggs
- poultrymeat
- ethyl alcohol of agricultural origin
- apiculture products
- silkworms
- other products