

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

DAERA.

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 was shared with the Committee on 27 February 2025 and it has been published on the DSC webpage at this link:

[COM/2024/577 EM.docx](#)

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.

The Commission ran an 8-week period of consultation from 13 January until 10 March 2025 via the 'Have Your Say' portal. NI stakeholders were able to respond to that consultation. A total of 115 responses were received by the Commission's closing date; one response was received from an Irish stakeholder; no responses were received from the UK. An initial summary of key points raised in stakeholder responses is included at Annex B. Stakeholders broadly welcomed the Commission's proposals/objectives. Comments and concerns raised included the definition and control of the optional terms, the potential for inconsistency with established international e.g. "Fair Trade" and national requirements e.g. in French law; their uniform application to EU and imported produce, as well as the appropriate legislative vehicle for introduction of such labelling terms and the lack of an impact assessment. The Commission is expected to publish its own summary of the consultation in due course.

Departmental Engagement

There has been engagement with Defra regarding the preparation of the DAERA Impact Assessment and the Defra Explanatory Memorandum for the proposed

Regulation. Policy officials will continue to engage as the Commission's plans develop and further information is released.

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

Annex B – Have your Say - Summary of Responses to COM/2024/577: [EU Proposal for a Regulation as regards strengthening the position of farmers in the food supply chain](#)

Consultation period: 13 January to 10 March 2025

There were 115 responses to the consultation. 44 of these related to Article 88a.

There was one response from Ireland and none from the UK.

Below is a subjective summary of the main points raised based on translations available and using translation software.

	Key Points	Related Comments
General Feedback regarding optional reserved terms	<ul style="list-style-type: none"> • general support and welcome of proposals to improve supply chain fairness. • some raised concern on administrative burden of bringing in terms. • clear definition and conditions of use for the proposed terms needed so that they may apply uniformly. • various recommendations on how to define terms and need to align with Fair Trade/Sustainable Development Goals, and other existing standards. • May lead to confusion for consumers. • Some reject the proposals entirely. 	<ul style="list-style-type: none"> • The proposal introduces minimum requirements for the use of terms such as 'fair', 'equitable' and 'short supply chain', but does not provide clear definitions and guidelines. • The definitions 'fair and equitable' and 'short supply chains' are subjective and may differ according to products, regions, farm types. Over-prescriptive definitions will lead to administrative burdens for all supply chain actors involved. • Fear that the concepts of a fair, equitable and short supply chain will be abused, both when concluding contracts with growers and in marketing and misleading consumers. • Creating these new labels and defining and controlling them by EU legislation will lead to more confusion for consumers, and an increase in prices.
		<ul style="list-style-type: none"> • Definitions should comply with the general principle laid down in Article 7 of Regulation (EU) No 1169/2011 that

	Key Points	Related Comments
		<p>consumers should not be misled.</p> <ul style="list-style-type: none"> Some responses not in favour of regulating "optional terms of commercial modalities". The current wording of Article 88a is unclear and does not reflect the existing requirements applied for the fair-trade sector.
Feedback regarding 'Fair' and 'Equitable'	<ul style="list-style-type: none"> Definition of terms needed. Several responses called for new rules to be aligned with French 'fair trade' legislation. 	<ul style="list-style-type: none"> France already has a clear legal framework on the use of the term 'fair' through Article 60 of Law No 2005-882 of 2 August 2005. The criteria in Article 88a fall far short of the real practices of the fair-trade sector and the French rules. A less lenient definition encompassing all terms would be detrimental to fair trade and to producers who benefit from it or who could benefit from it. If a product were to be generally labelled "fair/equitable" in this way, other criteria that are relevant to consumers would need to be taken into account such as fair wages, avoiding harmful pesticides, higher animal welfare standards.
Feedback regarding	<ul style="list-style-type: none"> Definition of 'short supply chain' needed particularly with regard 	<ul style="list-style-type: none"> Welcome that the term covers both direct sales from farmers to

	Key Points	Related Comments
'Short Supply Chain'	<p>to the number of intermediaries involved.</p> <ul style="list-style-type: none"> There are already existing definitions of "short supply chain" as well as "region" in Regulation 1305/2013 	<p>consumers; and a close connection and geographical proximity between the farm and the sale to consumers. This is crucial for the involvement of retailers in promoting short supply chains and must be preserved.</p> <ul style="list-style-type: none"> Welcome the safeguards to preserve cross-border trade, namely that short supply chains may also cover cross-border context (Recital 4); this limits risks of nationalistic approaches to the definition that can fragment the Single Market. The term 'short supply chain' is not well established among consumers... recommends the term 'regional supply chain' or 'short delivery routes'. The definition is not entirely precise, and the concepts of "close connection" and "geographical proximity" are subjective and diffuse. Also, this type of definition or mention could be better suited to another type of regulation. Needs further improvements particularly with regard to the definition of the number of intermediaries.

	Key Points	Related Comments
		<ul style="list-style-type: none"> • The definition recognises both the interpretation of short supply chain in terms of direct connections between the farmer and the final consumers and in terms of geographic proximity (but not necessarily both at the same time). • The conditions should require close geographical proximity. This would ensure that products entitled to the "short supply chain" label are not shipped over long distances, which would contradict consumer expectations. • There are already existing definitions of "short supply chain" as well as "region" in Regulation 1305/2013, so these are already defined at Union level. • "Short supply chain" and "direct sale" are not equivalent terms despite some overlap, yet the proposed definition of "short supply chain" might create confusion in this respect. • Should the new rules not be used to distinguish between supply without an intermediary and local supply? Separate terms "direct supply" and "proximity supply" could

	Key Points	Related Comments
		be used separately or in combination.
Feedback regarding 'Fair Trade' sector.	<ul style="list-style-type: none"> Many felt that legislation should align with existing fair trade principles and many responses cited France's fair Trade legislation Article 60 - Law No. 2005-882 of 2 August 2005 in favour of small and medium-sized enterprises. (1) - Légifrance measures must be applied not just to EU products, but equally to products imported to the Single Market. Third party certification and verification needed. 	<ul style="list-style-type: none"> The Commission's implementing rules must ensure that fair trade is in no way affected. The Commission's definition should align with existing Fair-Trade principles, particularly: the 10 principles of Fair Trade and the International Fair-Trade Charter. Consistency with existing EU legislative frameworks, such as France's legal framework, is crucial to maintaining coherence and avoiding the dilution of established fair-trade standards. The criteria for the use of the term 'fair' and any support measures must be applied not just to EU products, but equally to products imported to the Single Market. The regulation should mandate third-party certification and verification for fair labels to prevent misuse.
Feedback regarding effect on consumers	<ul style="list-style-type: none"> Some agreed that this would provide consumers with reliable information. However, some felt that without checks and 	<ul style="list-style-type: none"> In principle, agree with the objective of promoting transparency and accountability in the food supply chain by providing consumers with reliable information

	Key Points	Related Comments
	controls it would add to confusion for consumers	<p>on the distribution of added value to farmers and short supply chains, by laying down minimum requirements for the use of terms describing their modalities.</p> <ul style="list-style-type: none"> • The use of fair and equitable terms without strong requirements or controls, cause us to fear confusion among consumers with fair-trade approaches, thereby distorting competition with operators, from producers to businesses, who have voluntarily committed themselves and bear the costs of third-party control to ensure their fair-trade practices. • Creating these new labels and defining and controlling them by EU legislation will lead to more confusion for consumers, and an increase in prices.
Feedback regarding requirement for legislation and if CMO is the correct vehicle	<ul style="list-style-type: none"> • Several responses indicated that powers were available under existing legislation. • Some suggestions these powers could be made under Unfair Trading Practices legislation Directive - 2019/633 - EN - EUR-Lex • Suggestion that similar optional terms already covered under Article 	<ul style="list-style-type: none"> • requirements should be clarified within the appropriate regulatory framework and not through this revision of the CMO Regulation. This would help ensure consistency with existing EU legislation, such as the Unfair Trading Practices Directive, and avoid regulatory contradictions that could lead to legal uncertainty for businesses.

	Key Points	Related Comments
	27 of Regulation - 1151/2012 - EN - EUR-Lex on quality schemes for agricultural products and foodstuffs.	<ul style="list-style-type: none"> Regulation (EU) No 1151/2012 (Article 27) established a system for optional quality terms to facilitate the communication by producers in the internal market of the characteristics or ownership of agricultural products which give them added value.
Feedback regarding Lack of Impact Assessment	<ul style="list-style-type: none"> A number of responses noted the lack of an impact assessment. 	<ul style="list-style-type: none"> An impact assessment of the Commission's proposals is absolutely necessary.
Feedback from Ireland	<ul style="list-style-type: none"> Feedback from a milk co-operative organisation society who had no specific feedback on Article 88a proposals. disappointed by lack of consultation and impact assessment prior to publication of the proposal. 	N/A