EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION/ DOCUMENTS WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND THE WINDSOR FRAMEWORK

REGULATION (EU) 2026/1739 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 July 2026 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

Submitted by the Department for Environment, Food and Rural Affairs on 5 August 2026

SUBJECT MATTER

Background

1. On 10 December 2024, the European Commission (the Commission) published a proposal to make amendments to three EU Regulations: Regulation (EU) 1308/2013 establishing a common organisation of the markets in agricultural products (the "CMO Regulation"), Regulation (EU) 2021/2115 and Regulation (EU) 2021/2116 with the stated purpose of strengthening the position of farmers in the food supply chain, improving fairness, and enhancing market transparency and resilience. At proposal stage, only one amendment was identified as directly applicable in Northern Ireland (NI) covering the introduction of new rules situated in the marketing standards section of the CMO. These rules concerned the use of optional terms "fair", "equitable" (and equivalent terms), as well as "short supply chain" in the marketing of agricultural products.

2. The European Parliament subsequently introduced amendments extending beyond the scope of the original proposal, principally concerning the protection of meat-related denominations and the mandatory use of contracts in milk and other sectors. Inter-institutional technical meetings with the European Parliament and the European Commission followed to identify potential areas of convergence on outstanding issues. Political agreement on a compromise text was reached at the fourth trilogue on the file on 5 March 2026. Following political agreement, the Regulation was formally adopted as Regulation (EU) 2026/1739 of 8 July 2026 and published in the Official Journal on 29 July 2026. This Explanatory Memorandum (EM) updates the EM submitted to the DSC on 27 February 2025 on the initial proposal and considers the impact of the provisions contained in the adopted Regulation (EU) 2026/1739.

3. In terms of the wider context of this Explanatory Memorandum, key agri-food marketing standards (except insofar as they relate to wine) are expected to be in scope of the coming UK-EU SPS Agreement. While the final scope and date of entry into force of the Agreement are subject to ongoing negotiations, the Government expects that GB will be dynamically aligned with EU marketing standards by the time new rules on use of optional marketing terms "fair", "equitable" and "short supply chain" and meat terms enter into force. In practice, it is therefore likely that the possible points of divergence and related impacts on GB-NI and NI-GB trade discussed in this Explanatory Memorandum will be mitigated by GB, NI, and EU member states sharing the same marketing standards rules.

Summary of the Regulation

4. The main changes made by the Regulation are summarised below:

   i. **Provisions concerning agricultural marketing standards that apply in Northern Ireland:**

   - **(EU) 1308/2013; Article 78 paragraphs 1 and 3, and Annex VII PART 1a - New rules on the protection of meat terms and meat-related names**: products not containing meat, including plant-based substitutes and novel foods, will not be allowed to use names commonly associated with meat. Flexibility, by way of derogation provided for in the Regulation, is introduced for certain products whose names have been used for a long time and do not create consumer confusion. Transitional arrangements provide for a three-year period before the new rules apply (from 19 August 2029) to allow businesses time to adapt, plus an additional three-year period for stocks already lawfully produced and placed on the market before 19 August 2029 to be sold through until stocks are exhausted or until 19 August 2032, whichever is the earlier.
   - **(EU) 1308/2013; Subsection 3a, Article 88a - New rules on voluntary marketing terms "fair", "equitable" and "short supply chain"**: introduces minimum requirements for the use of optional terms “fair”, “equitable” and “short supply chain” to ensure designations genuinely reflect trading conditions and supply chain structures. Transitional arrangements provide for a two-year period before new rules apply (from 19 August 2028) to allow operators time to adapt and the EU Commission to assess existing national schemes and practices.
   - **(EU) 1308/2013; Article 75(3)(j) - Origin labelling:** a minor change to the list of agricultural products for which place of farming and/or origin

obligations can be introduced (wording which excludes poultrymeat and spreadable fats from this provision has been deleted).

ii. **Provisions that do not apply in Northern Ireland:**

- **Strengthened contractual obligations:** to improve farmers' position in the value chain through written contracts, thereby limiting sudden price changes and unfair trading practices. Targeted flexibility allows well-functioning trading practices to continue while avoiding unnecessary additional administrative burden.
- **Reinforced role of Producer Organisations:** through simplified recognition procedures, enhanced bargaining power, and greater flexibility in collective organisation and marketing, together with increased financial support under the Common Agricultural Policy (CAP) sectoral interventions, including provisions for crisis management actions and support for young or new farmers.
- **Adjusted collective bargaining arrangements in the dairy sector**: to enable Producer Organisations to negotiate larger shares of production while maintaining appropriate safeguards for fair competition.
- **Expanded scope for sustainability cooperation**: encompassing environmental and social objectives such as climate action, biodiversity protection, generational renewal, support for small farms, and improved working conditions, while ensuring compatibility with competition rules.
- **Enhanced CAP financial support**: including higher support rates for young farmers and Producer Organisations, increased assistance in cases of market disruption or natural disasters, and additional flexibility for Member States in supporting less developed sectors.

SCRUTINY HISTORY

5. The parliamentary scrutiny history relevant to this EM is contained in the attached Annex A.

MINISTERIAL RESPONSIBILITY

6. The Secretary of State for Environment, Food and Rural Affairs is responsible for agricultural marketing standards in England.

INTEREST OF THE DEVOLVED GOVERNMENTS (DGs)

7. The Devolved Governments have been consulted in the preparation of this explanatory memorandum, and their views have been included in it. Scottish and Welsh Governments and the Northern Ireland Executive are responsible for policymaking in their respective nations, and subject to The Agricultural Support Provisional Common Framework. This Regulation is expected to be

implemented in Northern Ireland by virtue of Annex II to the Windsor Framework.

LEGAL AND PROCEDURAL ISSUES

8.

i. **Application of the Windsor Framework**

The NI Assembly conducts democratic scrutiny of relevant Regulations under the terms of schedule 6B of the NI Act 1998.

The terms of the EU-UK Withdrawal Agreement and the Windsor Framework provide that limited areas of EU law will apply in the UK in respect of NI. (EU) 2021/2115 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP) and (EU) 2021/2116 on the financing, management and monitoring of the CAP, do not apply in NI, and only parts of the CMO Regulation listed in Annex 2 of the Windsor Framework are applicable in NI under the Windsor Framework. These are:

- Section 1 of Chapter I of Title II of Part II (under 31 - Food – ingredients, traces, residues, marketing standards)
- Sections 2 and 3 of Chapter I of Title II of Part II (under 45 - Intellectual property)
- Part III (under 47 - Other)

Article 13(3) of the Windsor Framework confirms that a reference to Union Legislation is a reference to that legislation as amended or replaced. This Regulation will amend or insert the following provisions in the CMO Regulation which will apply to NI under the Withdrawal Agreement and Windsor Framework; Article 75(3), Article 78(1) and (3), Article 88a, and Annex VII Part 1a.

ii. **EU Legal Base**

The legal basis for this Regulation is the Treaty on the Functioning of the EU, and in particular Article 42 and Article 43(2).

iii. **Voting Procedure**

Ordinary legislative procedure

iv. **Timetable for adoption and implementation**

Regulation EU 2026/1739 was formally adopted 8 July 2026 and published in the Official Journal on 29 July 2026. The amendments to the CMO Regulation that are applicable in NI enter into force on the following:

- Meat terms: new rules apply from 19 August 2029, plus an additional three-year period for stocks already lawfully produced and placed on the market before 19 August 2029 to be sold through until stocks are exhausted or until 19 August 2032, whichever is earlier.
- Optional terms "fair", "equitable", "short-supply chain**":** new rules apply from 19 August 2028
- Origin labelling: the ability to introduce new origin rules for poultrymeat and spreadable fats takes effect on the twentieth day following publication in the Official Journal (19 August).

POLICY AND LEGAL IMPLICATIONS

9. The Commission contends that the Regulation as a whole aligns with existing EU commitments to enhance the position of farmers in the food supply chain. The wider context of the commitments cited by the Commission is the continuing pressure on farmers' incomes due to the increase of energy-related agricultural input costs, as well as consumption patterns moving towards less expensive food products due to the increased cost of living. This has further destabilised the distribution of value added along the food supply chain, creating instability in the allocation of profits and costs between the actors of the chain, fuelling protests and increasing mistrust.

10. The following amendments fall within scope of Annex 2 of the Windsor Framework, applying via the Windsor Framework Article 13(3) process, and are subject to the Democratic Scrutiny mechanisms within the Framework: a minor change to origin labelling; new rules on the voluntary marketing terms "fair", "equitable", and "short supply chain" and; new rules on the protection of meat terms and meat related names.

Origin labelling

11. The Regulation amends Article 75(3)(j) of the CMO Regulation regarding origin labelling to provide that, at a later date, place of farming and/or origin obligations could be introduced for poultrymeat and spreadable fats. Therefore, at present, this amendment does not alter the regulatory position of these goods. Should Marketing Standards be introduced including these origin labelling requirements, Government would be required to assess the impact of the amendment on Northern Ireland.

Voluntary marketing terms like "fair", "equitable", and "short supply chain"

12. The Regulation inserts Article 88a of the CMO Regulation to introduce minimum requirements for the use of optional terms “fair”, “equitable” and “short supply chain”. This amendment aims to increase the transparency and reliability of the use of the optional terms to ensure the fair allocation of value added along the food supply chain, prevent the misuse of such terms and ensure that consumers have reliable information about the fair allocation of value added to farmers and short supply chains. The terms would have a similar purpose to existing value added optional reserved terms that can be used for marketing product features or production processes for the products of specific sectors, such as “free range” eggs. The new terms, however, would apply to the products of a wider range of agricultural sectors (see Annex B).

13. Since the original proposal, amendments have been made to the final Regulation to clarify the conditions for use of such terms. For example, the terms “fair” and “equitable” must only be used to describe arrangements that ensure stability and transparency in commercial relations between farmers and purchasers and pricing that is equitable and remunerative by participating farmers, and that support and contribute to the United Nations Sustainable Development Goals. The term “short supply chain” can only be used where there are a limited number of intermediaries between farmers and final consumers and/or close geographic proximity between farmers, intermediaries and consumers, including in cross-border contexts.

14. The Government’s assessment is that it is unlikely that this amendment will have a negative impact on businesses in Northern Ireland given use of the terms is optional. It is also not considered likely that the Regulation would have a significant impact on UK internal market movements. The existing section of the CMO that would be amended is disapplied by Annex I of Regulation (EU) 2023/1231. This means that eligible goods would continue to move from Great Britain to Northern Ireland via the Northern Ireland Retail Movement Scheme (NIRMS), as NIRMS exists under current arrangements, without having to meet any new requirements. Movements under NIRMS would therefore be entirely unaffected by the amendment.

15. Moreover, in line with the Government’s commitment to ensuring Northern Ireland traders have unfettered access to the rest of the UK internal market, these measures would not have any impact on the movement of qualifying Northern Ireland goods from Northern Ireland to Great Britain. Such goods would also continue to benefit from the market access principles set out in the United Kingdom Internal Market Act 2020 and retain their privileged unfettered access.

16. The Commission is empowered 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, taking into account any relevant international standards and related quality schemes. The Government's assessment of the impact of any such acts, including proposed enforcement or reporting set out therein, could only be carried out if and when these acts are published.

17. The application of the rules relating to the reservation of the optional terms 'fair', 'equitable', and their equivalent terms, and the term 'short supply chains', will be deferred by two years after the entry into force of this Regulation in order to give market operators the necessary time to adapt and to allow the Commission to assess existing national schemes and practices.

Meat and Meat-related Terms

18. The Regulation amends Article 78 and Annex VII of the CMO to provide a new definition of "meat" and "meat products" and to restrict the use of a list of meat-related terms so that they may only be used to describe the edible parts of an animal. Restricted terms include terms like Beef, Chicken, Bacon, and Steak (full list in Annex C). It should be noted that the terms "burger" and "sausage" are not included in the list of restricted terms. The recitals to the Regulation indicate that this amendment is intended to protect meat-related terms which have 'cultural and historical significance' as well as enhancing transparency in terms of food composition and nutritional content, allowing consumers to make informed choices.

19. The Government's assessment is that goods moving from NI to GB would be unaffected. These rules would not apply to goods moving from GB to NI under NIRMS (as it exists under current arrangements), provided that they comply with the conditions of NIRMS, including not-for-EU labelling to ensure goods do not go on to enter the EU market. However, these changes would apply to goods moving from GB to NI outside NIRMS and internally in NI (for goods manufactured in NI for its own market, or products intended for the EU market); meat-free products could still be sold, but manufacturers might be required to change the packaging or marketing terminology on their products to comply with this amendment. Whilst there are not currently restrictions in assimilated legislation which explicitly prescribe how the meat terms listed by this amendment may be used, existing laws already prohibit misleading food descriptions, so this amendment may, in some cases, simply clarify rather than significantly change current practice.

20. The scope of the amendment is not currently clear. The Regulation states that the new meat designations apply to "*products listed in Annex I to the TFEU as well as food products not listed in that Annex*". While the current assumption

is that restrictions would apply to vegetarian or vegan “meat-replacement” products, other products, such as meat flavour or meat-flavoured snacks, e.g. beef or chicken crisps, especially where no beef or chicken is used in the recipe and only comes from flavourings, may also fall within scope. The Government is seeking clarification on the scope of the amendment from the European Commission through appropriate UK-EU channels.

21. At present, the only explicit exceptions to the application of the new rules on meat-related terms is for fishery and aquaculture products and for “other products listed in a delegated act”. The adopted Regulation provides for potential derogations for certain products whose established long-term use does not cause consumer confusion. Further detail is not currently available.

22. The amendment explicitly states that cell-cultivated meat products would not be able to be marketed using the restricted list of meat terms. At present, there are no cell-cultivated products on the UK market for human consumption.

23. The Government has had some initial engagement on the Regulation with food manufacturing and retailer trade bodies who have expressed some concerns about the potential impact of these provisions if products that use a meat term to indicate flavourings are in scope and there is no exemption for them. Government will continue to engage with businesses on the potential impact of the restrictions.

24. Transitional arrangements provide for a three-year period before the new rules apply (from 19 August 2029) to give businesses time to adapt, plus an additional three-year period for stocks already lawfully produced and placed on the market before 19 August 2029 to be sold through until stocks are exhausted, or until 19 August 2032, whichever is the earlier.

25. Defra recently commissioned research aimed at assessing the drivers of food labelling and providing evidence to help better understand the costs and benefits associated with key legislative labelling changes. The report provides evidence that food businesses support phased and formalised transition arrangements and favour transition periods that are aligned with normal packaging and labelling update cycles. Businesses indicated that a phased approach would help them manage compliance costs more effectively, reducing costs associated with discarding existing packaging stock and printing new labels. This was viewed as being particularly important for small and medium enterprises (SMEs) with more limited resources. The extended implementation period in the adopted amendment on meat terms should therefore help mitigate direct costs and minimise waste as most relabelling costs could be absorbed through business-as-usual packaging and labelling

update cycles. The Government will continue to engage with businesses on this.

The UK-EU SPS Agreement

26. Key agri-food marketing standards (except insofar as they relate to wine) are expected to be in scope of the SPS Agreement. While the final scope and date of entry into force of the Agreement are subject to ongoing negotiations, the Government expects that GB will be dynamically aligned with EU marketing standards by the time new rules on optional and meat terms enter into force. In practice, it is therefore likely that the possible points of divergence and related impacts on GB-NI and NI-GB trade discussed above, will be mitigated by GB, NI, and EU member states sharing the same marketing standards rules.

CONSULTATION

27. The European Commission did not conduct a formal public consultation or impact assessment on the amendments before they published the proposal for a regulation on 10 December 2024, giving as the reason the need to act urgently due to the challenges the agricultural sector is facing. Rather, the Commission stated that the proposed measures were developed based on 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.

28. On 13 January 2025 the EU Commission opened an eight-week period of consultation via the 'Have Your Say' portal on the proposed amendments at the time of opening, namely the use of optional terms like "fair", "equitable", and "short-supply chain". UK stakeholders were able to respond but no responses were received from the UK. EU stakeholders broadly welcomed the proposal but expressed some concern around the definition and control of the rules on optional terms.

29. To our knowledge, the EU did not publicly consult on the amendments extending beyond the scope of the original proposal such as the provisions restricting the use of meat terms. Since the Regulation was finalised and adopted in late June, Defra has informally engaged with food manufacturing and retailer trade bodies on the Regulation. During initial engagement via the Business Expert Group on labelling and food standards to which Defra contributes, trade bodies expressed concern about the potential impact of the meat terms provisions, in particular whether meat-flavoured snacks with no

meat content, such as meat flavoured crisps, are in scope of the new rules or whether such products could potentially fall within the derogation for products whose names have been used for a long time and do not create consumer confusion. Defra will be engaging with the EU Commission to seek clarification on these points via the appropriate UK-EU channels.

FINANCIAL IMPLICATIONS

30. There may be costs to industry in terms of labelling changes. This could include the addition of not-for-EU labelling on goods moving from GB to NI under NIRMS, as NIRMS exists under current arrangements, and changes to packaging and marketing terminology by manufacturers producing goods for the NI market or the EU market, in order to comply with the amendment regarding meat-terms. The extended implementation period in the adopted amendment on meat terms should therefore help mitigate direct costs and minimise waste as most relabelling costs could be absorbed through business-as-usual packaging and labelling update cycles.

Annex A – Parliamentary Scrutiny History

REGULATION (EU) 2026/1739 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 July 2026 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

Several EU acts have amended/supplemented Regulation (EU) 1308/2013 and have been subject to parliamentary scrutiny since the UK's exit from the EU. These acts are:

- Regulation 2024/1143 of the EP and Council concerning geographical indications for wine, spirits and agricultural products (EU documents 7639/22, COM(22)134). An EM was submitted to the NI Assembly on the adopted Regulation published in the EU Official Journal.
- Commission delegated Regulation 2023/2429 of 17 August 2023 concerning marketing standards for the fruit and vegetable sector, certain processed fruit and vegetables and bananas (EU document C(23)6448).
- Commission implementing Regulations 2023/2464 and 2023/2466 of 17 August 2023 and concerning marketing standards for eggs (EU documents C(23)5508 and 5510).
- Commission delegated Regulation 2022/2104 of 29 July 2022 on marketing standards for olive oil (EU document C(22)4755).
- Commission delegated Regulation 2021/68 of 27 October 2021 on authorised oenological practices (EU document C(21)7572).

Regulation (EU) 2021/2115 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD)

This Regulation was subject to parliamentary scrutiny as a EU Commission proposal subsequently adopted as Regulation 2021/2115 (EU document 7707/20, COM(20)186).

Regulation (EU) 2021/2116 on the financing, management and monitoring of the common agricultural policy

This Regulation was subject to parliamentary scrutiny as a Commission proposal subsequently adopted as Regulation 2021/2116 (EU document 9634/18, COM(18)393.

Annex B – List of sectors that Article 88a would apply to (as set out at Article 1(2) of (EU) 1308/2013)

- 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 C

The following names shall be reserved for products derived exclusively from meat at all stages of marketing:

(a), beef;
(b), veal;
(c), pork;
(d), poultry;
(e), chicken;
(f), turkey;
(g), duck;
(h), goose;
(i), lamb;
(j), mutton;
(k), ovine;
(l), goat;
(m), drumstick;
(n), tenderloin;
(o), sirloin;
(p), flank;
(q), loin;
(r), ribs;
(s), shoulder;
(t), shank;
(u), chop;
(v), wing;
(w), breast;
(x), thigh;
(y), brisket;
(z), ribeye;
(aa), T-bone;
(ab), rump;
(ac), bacon;
(ad), steak;
(ae), liver.