

**EXPLANATORY MEMORANDUM TO  
THE SINGLE COMMON MARKET ORGANISATION (CONSEQUENTIAL  
AMENDMENTS) REGULATIONS 2013**

**2013 No. 3235**

- 1.** This explanatory memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

- 2. Purpose of the instrument**

This instrument makes the minimum technical and consequential changes that are necessary to ensure that domestic enforcement agencies can continue to enforce our obligations under the new European Common Agricultural Policy (CAP) Single Common Market Organisation (SCMO) Regulation which will revoke and replace EU Regulation No 1234/2007 on 1 January 2014. The instrument itself does not impose any new obligations.

- 3. Matters of special interest to the Joint Committee on Statutory Instruments**

- 3.1** Following a 3-year period of negotiations on CAP reform, a new European SCMO Regulation was formally adopted on 16 December 2013. It will be published in the Official Journal of the European Union on 21 December 2013 and come into force on 1 January 2014.

- 3.2** Due to the very short period between the adoption of the new European SCMO Regulation at EU level and its entry into force, this instrument could not have been made on a date that would have enabled compliance with the 21 day rule. As far as possible, the Department prepared a draft of this instrument in advance of the formal adoption of the new European SCMO Regulation and has taken steps to lay this instrument as soon as practicable.

- 3.3** It is important that this instrument comes into force on 1 January 2014 to comply with enforcement obligations under the new European SCMO Regulation. Without these Regulations the domestic legislation referred to in this instrument would no longer be in force as EU Regulation No 1234/2007 will have been repealed.

#### **4. Legislative Context**

4.1 The Common Agricultural Policy is the system of subsidies and programmes under which European farmers work. The CAP covers farming, environmental measures and rural development, and controls EU agricultural markets.

4.2 On 16 December 2013, the Council of EU Agriculture Ministers formally adopted the four Basic Regulations for the reformed CAP as well as the Transitional Rules for 2014. This followed on from the approval of these Regulations by the European Parliament in November 2013. The new European SCMO Regulation, which is directly applicable in all EU Member States, revokes and replaces the current EU Regulation 1234/2007 (as amended) from 1 January 2014.

4.3 The new European SCMO Regulation has cleared scrutiny in both Houses of Parliament.

4.4 The new European SCMO Regulation carries forward most of the existing rules for the management of agricultural markets in the EU, including rules on public intervention, private storage, marketing and quality standards, import and export rules, crisis measures, and competition and state aid rules.

4.5 There are a number of domestic regulations in place which implement and/or refer to the 2007 Regulation and provide entry powers to investigate breaches. In order to ensure legal certainty and avoid an enforcement gap, these domestic regulations need to be appropriately amended from 1 January 2014 to refer to the new European SCMO Regulation. No new or extended statutory powers of entry or offences are sought.

#### **5. Territorial Extent and Application**

This instrument applies to all of the United Kingdom.

#### **6. European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

#### **7. Policy background**

- What is being done and why

The new European SCMO Regulation provides common rules for managing agricultural markets, standards for marketing agricultural products and for importing and exporting them to and/or from the European Union. It will revoke and replace EU Regulation 1234/2007 (as amended) from 1 January 2014. It is directly applicable in all EU Member States.

Consequently, there is a need to update the domestic regulations that refer to Regulation 1234/2007 in order to ensure that enforcement agencies continue to have appropriate powers of entry and other associated powers.

The new European SCMO Regulation also introduces changes to the rules for the classification of beef and pig carcasses, the reporting of deadweight beef prices by operators, and the definitions and sales descriptions of meat of bovine animals aged less than 12 months. There are some cross-references to these rules in domestic regulations which need to be updated in order to ensure consistency with the new European SCMO Regulation. The specific domestic regulations that are affected by these changes are the Beef and Pig Carcase Classification Regulations 2010 and the Beef and Veal Labelling Regulations 2010.

- Consolidation

7.2 The Department has not proposed to consolidate the affected domestic legislation at this time. This is because the EU Commission will be adopting revised implementing rules under the new European SCMO Regulation. This will require further updates to domestic legislation over the next 12 months and it would be more appropriate to consider a consolidation at that stage.

## **8. Consultation outcome**

8.1 Views on the European Commission's initial proposals for CAP reform and the domestic implementation of the revised CAP regime were sought through public consultations in October 2011 and October 2013. During the 2013 consultation the Department advised stakeholders that the purpose of the new European SCMO Regulation was to update existing provisions and that trade and competition rules would be largely maintained. There was no stakeholder comment on this. The specific proposals from the Commission on beef and pig carcase classification were notified to domestic industry stakeholders on 22 August 2012. Most respondents opposed the changes that the Commission were proposing. These comments were reported to the Commission and other Member States during the negotiations on the new European SCMO Regulation, but the UK was in a small minority and unable to resist the new proposals.

8.2 The FSA has been notified of the relevant technical and consequential changes introduced by this instrument and has not raised any concerns.

8.3 As above, this instrument makes the minimum technical and consequential changes needed to ensure that domestic enforcement agencies can continue to enforce our obligations under the new European SCMO Regulation. The instrument itself does not impose any new obligations.

## **9. Guidance**

9.1 The Rural Payments Agency has provided detailed guidance to businesses in England and Wales which explains how the new EU provisions on carcase classification,

price reporting and labelling of beef and veal will operate. Similar guidance has been provided to businesses in Scotland by the Scottish Government and in Northern Ireland by the Department of Agriculture and Rural Development.

## **10. Impact**

10.1 The impact of this instrument on business, charities or voluntary bodies and the public sector is estimated to be of minimal cost because it is principally concerned with maintaining existing enforcement powers or involves only consequential amendments.

10.2 An Impact Assessment has not been prepared for this instrument.

## **11. Regulating small business**

11.1 The legislation applies to small business.

11.2 However, this instrument does not create any new obligations for small business as it concerns only technical amendments that are consequential on the new European SCMO Regulation coming into force.

## **12. Monitoring & review**

12.1 In relation to the wider Common Agricultural Policy, provisions for a monitoring and evaluation system are laid down in the new Regulation of the European Parliament and the Council on the Financing, Management and Monitoring of the Common Agricultural Policy ("the Horizontal Regulation"), which will come into force on 1 January 2014. The new common monitoring and evaluation system will assess the overall performance of the CAP and its main instruments.

12.2 The technical nature of this instrument means that no separate review is needed as it does not involve any change in policy. The ongoing impact of the new European SCMO Regulation will be included in the overall monitoring and evaluation of the CAP. In addition, the impact of the new European SCMO Regulation on carcase classification and price reporting will be monitored through regular liaison with key industry stakeholder bodies and enforcement authorities.

## **13. Contact**

Mark Filley at the Department for Environment, Food and Rural Affairs Tel: 0207 2385693 or email: [mark.filley@defra.gsi.gov.uk](mailto:mark.filley@defra.gsi.gov.uk) can answer any queries regarding the instrument.