



Agriculture Act 2020

2020 CHAPTER 21

PART 3

TRANSPARENCY AND FAIRNESS IN THE AGRI-FOOD SUPPLY CHAIN

CHAPTER 2

FAIR DEALING WITH AGRICULTURAL PRODUCERS AND OTHERS IN THE SUPPLY CHAIN

29 Fair dealing obligations of business purchasers of agricultural products

- (1) The Secretary of State may make regulations—
 - (a) imposing obligations on business purchasers of agricultural products in relation to contracts they make for the purchase of agricultural products from qualifying sellers;
 - (b) providing for the enforcement of obligations imposed under paragraph (a).
- (2) The powers under subsection (1) are exercisable for the purpose of promoting fair contractual dealing by business purchasers of agricultural products from qualifying sellers.
- (3) For the purposes of this section—
 - (a) the purchaser, in relation to a contract for the purchase of an agricultural product, is a “business purchaser” if the person purchases the product in the course of carrying on a business that includes purchasing products of that kind;
 - (b) the seller, in relation to a contract for the purchase of an agricultural product, is a “qualifying seller” if the person (whether within or outside the United Kingdom) is any of the following—
 - (i) a person carrying on an agricultural activity for the production of products of that kind or otherwise in connection with their production;
 - (ii) a recognised producer organisation;
 - (iii) a recognised association of producer organisations;

Status: This is the original version (as it was originally enacted).

- (iv) a produce aggregator (so far as not falling within sub-paragraph (ii) or (iii)) for that product.
- (4) In subsection (3)(b)(iv), a “produce aggregator” for a product means a person—
- (a) who purchases products of that kind from more than one seller each of whom is a qualifying seller in relation to the contract for the purchase, but
 - (b) who does not carry out any processing activities in relation to that kind of product or any other kind of product which the person sells.
- (5) For the purposes of subsection (4)(a), a seller may fall within paragraph (iv) of subsection (3)(b) by virtue of an earlier application of subsection (4).
- (6) The kinds of obligation that regulations under this section may impose in relation to a contract include—
- (a) obligations to contract in writing;
 - (b) obligations to include, or not to include, in the contract terms dealing with specified matters;
 - (c) where terms dealing with specified matters are included in the contract (whether or not by virtue of paragraph (b))—
 - (i) obligations relating to the provision that must be made by those terms;
 - (ii) obligations to comply with specified principles and practices as to the provision that should be made by those terms.
- (7) The following are examples of the matters that may be specified under subsection (6)(b) and (c)—
- (a) the quantity and quality of products to be purchased;
 - (b) how products are to be provided (including timing of deliveries);
 - (c) pricing mechanisms (including mechanisms for adjustments, premiums and deductions);
 - (d) payment (including timing and method of payments);
 - (e) charges for processing, marketing or advertising products;
 - (f) exclusivity of contractual dealing;
 - (g) the provision of information between the parties;
 - (h) variation of a contract (including notice periods for variation and retrospective variations);
 - (i) duration and termination of a contract.
- (8) The provision that may be made under subsection (1)(b) includes provision—
- (a) for complaints relating to alleged non-compliance to be referred to a specified person;
 - (b) as to how those complaints are to be investigated and how an allegation of non-compliance is to be determined;
 - (c) in the event of a determination of non-compliance, for the imposition on a business purchaser of agricultural products from a qualifying seller of monetary penalties or a requirement to pay compensation (or both);
 - (d) for appeals against such penalties or requirements.
- (9) The powers under subsection (1)(b) include power to—
- (a) confer functions on any person;
 - (b) provide for a person to exercise a discretion in dealing with any matter.

(10) Regulations under this section are subject to affirmative resolution procedure.

(11) In this section—

“processing activities” includes activities such as butchering, baking, fermenting, rendering and preserving (whether by drying, canning, bottling, freezing or otherwise) but does not include activities such as packing, cleaning, sorting, transporting and storing;

“recognised association of producer organisations” means an association recognised under section 30(3);

“recognised producer organisation” means a producer organisation recognised under section 30(1);

“specified” means specified in regulations under this section.