

## EXPLANATORY MEMORANDUM

### **Explanatory Memorandum to Reporting of Prices of Milk Products (Wales) Regulations 2011**

This Explanatory Memorandum has been prepared by the Department for Rural Affairs and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 24.1

#### **Minister's Declaration**

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Reporting of Prices of Milk Products (Wales) Regulations 2011.

Elin Jones  
Minister for Rural Affairs  
29 March 2011

#### **1. Description**

New European requirements relating to Member States notifications to the Commission in the milk and milk products sector necessitate revoking and replacing of the existing domestic legislation in Wales. to bring it up to date . The replacement Regulations require a sample of milk processors to provide information on the prices at which they sell milk products after processing, to the Welsh Assembly Government, for onward transmission by the Department for Environment, Food and Rural Affairs to the European Commission.

The Regulation also requires Member States to take steps to ensure that dairy processors provide them with information on prices in the time scales required. These Regulations have penalties for processors who fail to do so.

This Statutory Instrument replaces the Reporting of Prices of Milk Products (Wales) Regulations 2005 (SI 2005/2907). The new Instrument will:

- incorporate references to Commission Regulation (EU) No 479/2010 which lays down the detailed rules for the implementation of Council Regulation 1234/2007 as regards notifications to the Commission in the milk and milk products sector and which repeals and replaces Commission Regulation (EC) No 562/2005.
- provide definitions of milk products and milk processor

#### **2. Matters of Special Interest to the Constitutional Affairs Committee**

None

#### **3. Legislative background**

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The Welsh Ministers, are designated for the purposes of making regulations under section 2(2) of the European Communities Act 1972 by virtue of the European Communities (Designation)(No 5) Order 2010 (SI 2010/2690) in relation to the common agricultural policy of the European Union.

These Regulations make provision for a purpose mentioned in section 2(2) of the European Communities Act 1972, and it appears to the Welsh Ministers that it is expedient for the references to a European Union instrument, in these regulations, to be construed as references to that European Union instrument as amended from time to time.

The Welsh Ministers make the Regulations in exercise of the powers conferred upon them by s2(2) of and paragraph 1A of Schedule 2 to, the European Communities Act 1972.

### **4. Purpose & intended effect of the legislation**

This Statutory Instrument will revoke and remake the 2005 Regulations such that it refers to the new Commission Regulation (EU) No 479/2010.

Article 2 of “Commission Regulation (EU) No 479/2010 laying down rules for the implementation of Council Regulation (EC) No 1234/2007 as regards Member States’ notifications to the Commission in the milk and milk products sector” requires Member States to report the prices of raw milk and certain milk products at specified intervals, and repeals Commission Regulation (EC) No 562/2005 which made similar provisions. This price information is used by the Commission when calculating refund and aid amounts which form part of the common organisation of the market in dairy products.

Commission Regulation (EU) No 479/2010 repealed and replaced Commission Regulation (EC) No 562/2005 because the 2005 Regulation had already been amended and further amendments were required, notably to update references to other EU legislation. The new Commission Regulation includes some changes to the production thresholds over which the prices of products must be reported and the timing of reports.

This Statutory Instrument updates this reference and also provides definitions of milk products and ‘milk processor’ The definitions are as follows:

- ‘milk processor’ means a person operating an establishment which manufactures milk products
- ‘milk products’ means those products listed in Article 2(3)(a) of, and Annexes 1.A and 1.B to the Commission Regulation

### **5. Consultation**

The EU legislation has direct effects in Wales and is already in force and the Welsh Statutory Instrument must reflect those changes. Consultation on the legislation is not considered appropriate as there is no scope for variation. As

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this Statutory Instrument will not result in increased impact on the voluntary or private sectors, consultation was not deemed necessary.

### **6. Regulatory Impact Assessment**

A full regulatory impact assessment on the effect on the costs of business was prepared in respect of the 2005 Regulations.