

Cabinet Secretary for the Rural Economy
Fergus Ewing MSP



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31 October 2019

Dear Theresa

Thank you for your letter of 23 October 2019 regarding the National Basic Payment loan scheme for 2019. I am writing to seek further clarity on future funding for farmers, foresters, land managers and wider rural businesses.

In your letter you state that the UK Government commitment to continue to commit the same cash total in funds for farm support until the end of the parliament includes all funding provided for farm support under CAP Pillar 1 and 2. I, along with the Cabinet Secretary for Finance, Economy and Fair Work and Scottish stakeholders, have been seeking clarity on what this commitment actually means for some time now. Despite statements by your predecessor that 'farm support' covers all of CAP Pillar 1 and 2 (including for example LEADER, forestry and food and drink), including directly to Scottish stakeholders, the UK Government has failed to provide any written detail on this commitment.

I understand at the IMG on 9 September 2019 Defra officials defined and discussed what total farm support in relation to this commitment means, and that it included all Pillar 1 and Pillar 2 payments. I ask that you provide a written copy of this definition.

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I am also seeking clarity on the timeframe for the farm support commitment. There is an expectation from stakeholders that this would last until 2022. With the risk of an early general election it is important that a firm guarantee is given until at least 2022. Given that we are almost in 2020, it is also important that we can give farmers, foresters and rural businesses assurances beyond then. As I have explained to your predecessor, many of the sectors that this funding supports require long term planning - from farmers planning their crop rotations and forecasting the number of cattle or lambs they need to produce for a market in a year's time; to the forestry industry ensuring sufficient saplings are available for planting in coming years; to rural communities investing in businesses to make them more viable and help prevent rural depopulation.

Finally, there is still no detail on the proposed UK Shared Prosperity Fund in particular the relationship between that fund, and what is currently covered by CAP Pillar 2. In previous discussions, UK Ministers have suggested that the Shared Prosperity Fund would cover elements of rural support that were not covered by the farm support commitment. However, with no clarity on either, we and stakeholders across the UK are still in the dark. A sudden gap in funding will have particular implications for rural communities and businesses across Scotland and it is imperative that you clarify the position as soon as possible

It is vital that we provide as much certainty to Scottish stakeholders as possible so I would appreciate a swift replying giving clarification on these points.

I am copying this letter to the Derek Mackay, Cabinet Secretary for Finance, Economy and Fair Work, The Rt Hon Rishi Sunak MP, Chief Secretary to the Treasury, Lesley Griffiths, Minister for Environment, Energy and Rural Affairs, in Wales and Dr Denis McMahon, Permanent Secretary in Northern Ireland.

Yours sincerely,



FERGUS EWING

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