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Mr Pete Wishart MP
Chairman
Scottish Affairs Committee
House of Commons
London
SW11 9NB

8 November 2018

Dear Chairman,

Thank you for the opportunity to give evidence to your Committee last week on the future of Scottish Agriculture post Brexit.

I am writing to reiterate points made on WTO and Convergence and taking the opportunity to make a slight correction to the answer given to a question from Kirstene Hair relating to payment performance.

On WTO we have very clear senior legal advice concerning Clause 26 of the Agriculture Bill. Whilst we accept that the WTO international relations are a reserved function we are absolutely clear that the implementation of these is a devolved matter. We have set out our arguments clearly in our Legislative Consent Motion and I would urge the Committee to read that to help them understand the issue.

On convergence I want to reiterate my ongoing attempts to engage constructively in what has been a prolonged and at times tortuous process to get where we are today. Exactly a year ago to the day (6 November 2017) Secretary of State, Michael Gove agreed to holding a review and we drew up a Terms of Reference which SoS said in a telephone call in February that he was broadly content with. After several months and despite repeated prompts from myself and officials the start of the inquiry, we received no answers in terms of a start date. We then found out that Treasury had intervened and in September were presented with a revised Terms of Reference which would completely hamstring what I had understood had previously been agreed. As I said in my evidence this was compounded by the fact that the review was then announced prior to any further discussion or resolution of the various points of agreement and disagreement. Not a very satisfactory way to do business.

I cannot emphasise enough my frustration at this process and the importance I place on seeing Scottish farmers and crofters receive a fair allocation of funding. The £160 million that was held back from Scotland when the convergence allocations were made in 2014 only came to the UK because of Scotland's low historic payments. It would have meant Scottish hill farmers receiving on average an extra £14,000 over the period. Against the background

that in 2019 Scotland will have the lowest rates per hectare for Pillar 1 and Pillar 2 in the whole of the EU when the objective of external convergence is to deliver a more level playing field then not only was the original UK Government decision manifestly unfair but also means that an independent review into future allocation must take that into account. I will re-emphasise that we are not looking to take funding already allocated to Welsh Irish and English farmers away but are seeking UK Government and Treasury to put right the unfair decisions of the past.

Finally in answer to a question on payment performance from Kirstene Hair I said "...99% of those eligible to receive payments received 90% of their payments from 5 October, quite some time before farmers in England will receive a penny piece". I should have said "...99% of those eligible to receive payments started to receive 90% of their payments from 5 October, quite some time before farmers in England will receive a penny piece"

Yours sincerely,

A handwritten signature in black ink that reads "Fergus Ewing". The signature is written in a cursive style with a large loop under the 'F' and 'E'.

FERGUS EWING