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Rob Gibson
Convener
Rural Affairs, Climate Change and Environment
Committee c/o Clerk to the Committee
Room T3.40
The Scottish Parliament
Edinburgh EH99 1SP

18 May 2012

From Rt Hon Jim Paice MP
Minister of State for Agriculture and Food

Dear Mr Gibson

Scrutiny of the European Commission's Common Agricultural Policy (CAP) reform by the Scottish Parliament's Rural Affairs, Climate Change and Environment Committee (RACCE).

Thank you for your letter of 27 April inviting me to respond to the findings of the RACCE Committee's inquiry into the European Commission's CAP reform proposals. I welcomed the opportunity to discuss Scottish concerns first hand with the committee on 7 March 2012 and am happy to respond to the issues you raise.

It is of course right that Ministers from the Scottish Government and all of the Devolved Administrations should, wherever practicable, participate in EU Councils where they have an interest. The UK Government's current approach fully respects this need; there is a presumption that Ministers from Devolved Administrations can attend Councils, and that UK Ministers will look favourably on requests to attend, unless there are compelling reasons against. In appropriate cases, the leader of the UK delegation could also agree to a Devolved Administration Minister speaking to a UK line at Council.

However, with respect to your request that the UK aims to secure an additional seat for a Scottish representative at Council sessions where the number of Ministers is restricted by the presidency, I am unable to agree to this. Whilst implementation of the CAP is a devolved matter, international negotiations, including those on the reform of the CAP, are reserved matters and, in such circumstances, it is appropriate for the UK Minister to represent the UK as the Member State, speaking to a single position. What gives us real strength in European negotiations is that we discuss between ourselves what matters to all parts of the UK, and then speak coherently on our shared objectives.

To help ensure this happens, UK Government Ministers and officials meet regularly with counterparts in the Devolved Administrations, and farmers themselves, to get their views on CAP reform. I remain fully committed to ensuring that we negotiate with the Commission,

European Parliament and other Member States to ensure that we receive the necessary flexibility within the current proposals to ensure that implementation can reflect the agronomic and ecological diversity of the different parts of the UK, and the conditions facing other Member States.

I am also aware of Scottish concerns regarding the size of the CAP budget, distribution of funds between Member States, between Pillars 1 and 2 and within the UK that you reflect within your findings. The UK Government is committed to a direction of travel that sees the gradual reduction of direct support under Pillar 1 and a CAP that moves away from market-distorting subsidies whilst helping to build the capacity, competitiveness, productivity and resilience of EU farmers. We are committed to an increasing focus on actions under Pillar 2, providing environmental public goods that the market cannot deliver.

The suggestion that Scotland should receive all funds associated with any uplift that the UK may or may not receive as part of the convergence proposals is one that I am unfortunately unable to comment on as yet. As I explained during my evidence session, until we have greater clarity over the size of the CAP budget and the basis of allocation of Pillar 1 and Pillar 2 funding across member states, it is not possible to engage in such a discussion. For the same reasons, whilst I would not necessarily rule it out, I am unable at this point to accept the proposal that any such convergence criteria that may be agreed between Member States should also be respected within Member states. I will continue to press the Commission for greater clarity, and in respect of Pillar 2 a more objective allocation of funds between Member States, so that constructive discussions on allocation within the UK between representatives of the UK Government and all the Devolved Administrations can begin at the earliest opportunity.

Your letter also highlights the issue of funding under the Young Farmers Scheme and you request that we push for the new entrants funding to be available for the full five years even if farming began before 2014. Whilst we fully support encouraging new entrants to farming, the UK Government view is that the scheme as currently proposed is too restrictive and does not take account of the unique circumstances facing individual Member States. We therefore believe that any scheme should be voluntary instead of compulsory on the grounds that Member States and their parts are best placed to decide on exactly what measures are required to encourage and support new entrants to farming. We are currently considering whether further changes are needed to the proposed Young Farmer scheme to improve the flexibility available to Members States and will consider your proposal as part of that process.

I look forward to continuing to work closely and constructively with representatives of the Scottish Government to ensure that we both understand Scottish concerns and are able to reflect these in negotiations with other Member States, the Council, Commission, and the European Parliament. This will enable the UK Government to argue strongly and coherently for the best possible outcome for all parts of the UK.

Yours sincerely



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