

Scottish Affairs Committee

Oral evidence: [The future of Scottish agriculture post-Brexit](#), HC 1637

Tuesday 14 May 2019

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Members present: Pete Wishart (Chair); Deidre Brock; David Duguid; Hugh Gaffney; Christine Jardine; Ged Killen; John Lamont; Tommy Sheppard; Ross Thomson.

Questions 516 - 566

Witnesses

I: Fergus Ewing MSP, Cabinet Secretary for the Rural Economy, David Barnes, National Adviser on Agriculture Policy, Scottish Government, and Andrew Watson, Deputy Director for Agricultural Policy Implementation, Scottish Government.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Examination of Witnesses

Witnesses: Fergus Ewing, David Barnes and Andrew Watson.

[This evidence was taken by video conference]

Q516 **Chair:** Cabinet Secretary, thank you once again for appearing in front of the Scottish Affairs Committee. You are just about our favourite Scottish Government Minister with the amount of times we have asked you to appear before this Committee. We are always grateful for your appearance and attendance. For our record, who you are, your position in the Scottish Government and anything by way of a short introductory statement, Cabinet Secretary.

Fergus Ewing: Thank you very much, Convenor. I am pleased to be joined by Andrew Watson, the Deputy Director for Agricultural Policy Implementation, on my right, and on my left David Barnes, National Adviser on Agriculture. I am pleased that I am the Committee's favourite witness in Scotland and I hope that is the case at the end of the session as well as the beginning. I am very pleased to have this opportunity.

I will be very brief. As the Committee knows, agricultural policy is devolved, so the Scottish Government are accountable to the Scottish Parliament to determine policy in Scotland. There are some aspects nonetheless relating to Scottish agricultural policy that are legitimate for the Westminster Parliament to consider. There are policy areas closely related to agriculture that are not reserved; for example, carrying out international negotiations. I am sure we will come on to discuss some differences of view between Administrations on just what is or is not reserved.

I can understand why Westminster would be interested in the extent to which in devolved policy areas the Administrations within the UK might choose to act together. I also hope that Westminster and this Committee will hold the UK Government to the promises made in the Brexit referendum campaign about future funding, that it would be at least matched. But none of that changes the fact that agricultural policy is devolved and that that responsibility sits with Holyrood and the Scottish Government and deciding on future farm policy is, therefore, our job here. I have no doubt that the Committee is acutely aware of that and has been conducting the inquiry entirely within the split of responsibilities. I will be happy to answer any questions that you and your members may have. Thank you.

Q517 **Chair:** I am grateful. Thank you once again, Cabinet Secretary. Just to get things started, obviously through the course of the inquiry we have heard just how different the Scottish Government's approach to



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agriculture and rural affairs is. You currently have the flexibility to implement agricultural policy differently in Scotland compared to the rest of the UK. Are you confident that the Scottish Government will have at least as much flexibility in the future?

Fergus Ewing: We certainly believe that should be the case. That is what the outcome should be. We set out in our Stability and Simplicity consultation last summer that the support in its current form should continue for a period of about five years, really to provide an element of stability and certainty in the countryside more or less as is for two years, then trying out pilots of new schemes for more sustainable agriculture, for pilots of other types of farming, new entrants and so on in the second three years of that five-year period.

My feeling is that this approach has received a lot of support among the rural community and in particular the agricultural community. I will just make this point as an illustration of how different things are. It was about eight years ago that down south the Less Favoured Area Support Scheme was terminated for hill farmers and those farming in less favoured areas down south. We have retained that policy option, which we believe is very important to sustain not just hill farming and crofting, but sustain those rural communities, very often with sparse populations, in the Highlands, the Borders, the islands and in parts of Ayrshire, where that support is necessary to maintain rural communities. That is one example of a positive policy choice that has been taken by successive parties in office in Scotland.

Q518 **Chair:** I am assuming by that response that it is the Scottish Government's intention, therefore, to continue to support the Voluntary Coupled Support and LFA payments for farmers in Scotland. Is that still the Scottish Government's intention?

Fergus Ewing: It is. We are maintaining it at 100% this year. It was to have been reduced to 80%, but last December, I think it was, the European Parliament intervened and the Commission changed tack, allowing the level of support to remain as it is. Indeed, the LFASS support payments have been larger than ever before, I think, this particular year in aggregate, so we do want to see LFASS continue. There are challenges in that. We have debated them up here quite a lot, because next year the scheme here would see the maximum permissible payment under LFASS under EU rules at 80%. So we have committed to maintain that at 80%. We have given that commitment, but we are also looking to see how we could have other measures in place, which would have the effect of seeking to meet the objective of maintaining that vital support for rural communities and farmers and crofters in those communities.

Our ability to do so will be much aided if we can make progress with the repatriation to Scotland of the convergence moneys, £160 million, of which £14,000 for every farmer and crofter in Scotland remains due to be paid to Scotland, but perhaps we may come on to that.



Q519 **Chair:** Yes, we will indeed. On this Amber Box issue, when it comes to the coupled payments in LFASS, have you secured any assurances from the UK Government that this will comply with the UK's WTO commitments?

Fergus Ewing: We are in discussion with the UK on this. I can say that we do try to work on a co-operative basis by and large. We do that across a whole number of areas and I am pretty clear that Mr Gove has said that he recognises the case for funding for hill farmers. It is one that he accepts; he accepts the validity. That is a positive and I hope and I believe that that should allow us, if there is co-operation, to find a way to work together to resolve any technical or legal barriers to our being able to maintain that level of support. Just to conclude, I would say it is a bit premature to look at the WTO status of the LFASS fix needed. We need to finalise the fix first, I think.

Q520 **Chair:** Yes, thank you. We were expecting to hear from the Secretary of State this afternoon, but at the last possible minute he cancelled his appearance in front of this Committee.

One of the things that we were hoping to discuss with him is the recent announcement from him that he would like to see the UK Government spend in devolved areas in Scotland. We were presuming, given that he is Secretary of State for Environment, Food and Rural Affairs, that would apply to this sector, which is your responsibility. What conversations have you had with the Secretary of State about these proposals and what has he told you about the type of spending in devolved areas he has in mind?

Fergus Ewing: We have had no such discussions and he has told me nothing about that, despite the fact that we have met fairly regularly at meetings in London, Cardiff and Edinburgh. He has never said anything about that. I was very surprised to see him reported as having made those remarks recently. Obviously, that would be a breach of devolved competence. Agriculture and indeed the environment, the two increasingly go inextricably together and are devolved. Therefore, any idea that the UK Cabinet Secretary would start to make decisions about spending money in relation to devolved competencies seems to me to be simply outrageous. It is very disappointing that you and your members will not have been afforded the opportunity to ask Mr Gove direct, but we shall be pressing him on that to see exactly what in fact he means.

Q521 **Chair:** I am presuming from your response that it is not something that Scottish Government finds favour with and there has been no communication or conversations with you as the Cabinet Secretary with responsibility for this at all at this stage.

Fergus Ewing: There has been no discussion at all about the possibility of the UK Government exercising decisions over spending matters in relation to devolved competencies. In fact, it has never been suggested, so far as I can recall, in any of the meetings that I have attended, most of which have lasted about 90 minutes. It came completely out of the blue. There was no forewarning that I am aware of to myself and my



officials. I am certainly not aware of it having been raised with any of my colleagues either. Were it raised, then we would immediately have replied by saying, "This is completely out of order. It is a breach of the Scotland Act. It is an infringement on the devolved competence and you are not on".

Chair: I think that is clear enough, thank you.

Q522 **John Lamont:** Good afternoon, Cabinet Secretary. When you gave evidence to the Committee last October, you confirmed that the Scottish Government intended to bring forward their own Agriculture Bill rather than accepting a schedule within the UK Agriculture Bill. Could you update us on the progress of the Scottish Government's Agriculture Bill, please?

Fergus Ewing: In a parliamentary debate on 10 April, I announced we would introduce a Rural Support Bill in this parliamentary session. This will enable us to amend retained EU law to deliver on the proposals for the period after 2024, all as set out in our Stability and Simplicity consultation, with the main changes planned from 2021 onward. While the legislative programme is yet to be confirmed, it is clear that there is ample time to progress this Bill through the Scottish Parliament in time to make the changes from 2021 onwards.

Q523 **John Lamont:** I am grateful for that. When I previously asked you about this, I was particularly concerned about the legal mechanism by which the Scottish Government would be able to provide financial support to farmers after we leave the European Union. You repeatedly said during that exchange that the existing powers under devolution, as well as the Scottish Government's own Continuity Bill, provided that mechanism. Given the status of the Continuity Bill following the Supreme Court ruling, does the Scottish Government currently have the legal mechanism in place to pay farmers after 2020? If so, what is that mechanism, please?

Fergus Ewing: Powers to continue farm support payments are not dependent on, for example, the UK Agriculture Bill or on the proposed Scottish rural financial support Bill. There have been suggestions that by not taking powers through the UK Ag Bill, the Scottish Government will be unable to make payments to farmers post-Brexit. This is simply incorrect. I was pleased to hear Mr Lamont not making that claim here, but to put it simply, if there is a deal, then the position is the current CAP rules continue to apply for the UK. If there is no deal, the EU rules would be rolled into domestic law. In all scenarios we will have a legal basis for an allowance of continuity, a continuation of payments.

I remember last year I explained this in great detail to the Rural Economy and Connectivity Committee of the Scottish Parliament and, indeed, to the Scottish Affairs Committee in Westminster.

Q524 **John Lamont:** So the legal mechanism does not currently exist, that is what you are saying, after 2020? We either need Westminster to agree the deal or some other legal mechanism to be put in place to guarantee



the payments after 2020?

Fergus Ewing: Yes, the powers will allow us to continue payments under all the existing schemes. The rural support Bill would allow us to make alterations in due course post-Brexit, if Brexit occurs, to those schemes to allow us to make payment of older schemes. The mechanism is in the EU Withdrawal Act, which already is devolved.

Q525 **John Lamont:** It is, therefore, important from your perspective and from the perspective of my farmers that the deal is agreed. It is a slightly odd position that the MSPs here at Westminster are voting against the deal, given the importance of getting a deal across the line to ensure those payments continue.

Fergus Ewing: You are asking me do I support Brexit?

John Lamont: No, I am asking about the legal position, Cabinet Secretary, to ensure the payments continue to our farmers. As you have described to us just now, the legal position is dependent on the deal.

Chair: One at a time. I do not know if you caught that, Cabinet Secretary. Maybe you can repeat the question, Mr Lamont.

Q526 **John Lamont:** I am trying to ascertain the legal position. My understanding of your previous answer is the legal position is enhanced by this Parliament, by Westminster, by the UK Government agreeing a deal to manage our departure from the European Union.

Fergus Ewing: If there is a Brexit deal, that makes no difference to continuity of payments. Payments will continue to be made whether or not there is a Brexit deal.

Q527 **Chair:** Maybe this is the point just to bring this in, because we took evidence from the Law Society of Scotland and I think it was in response to Mr Lamont's question about the Scottish Government's responsibilities and ability to pay farmers. They referred us to a number of statutory instruments that had just been passed at Westminster through the positive and negative procedure. I have a letter which I think you wrote, Cabinet Secretary, to the chair of the Rural Economy and Connectivity Committee, which outlines those statutory instruments, which gives the legal basis to these payments. It starts, "Protocol with Scottish Government and the Common Agricultural Policy and Agriculture and Horticulture Development Board amendment" and then it goes on to list others. Is that what you mean when you talk about the legal powers and framework to pay Scottish farmers?

Fergus Ewing: It is a technical matter, so I wonder if Mr Barnes could perhaps give the best answer on this one, if that is in order.

Chair: Yes, of course.

David Barnes: Yes, as the Cabinet Secretary has said, whether or not there is a deal will change the timing but not the principle of the legal basis. There is already law that says that at the point in time at which EU



law ceases to apply in the United Kingdom, retained EU law—which is the body of EU law rolled into domestic law, but corrected—would apply in the United Kingdom. That becomes the legal basis on which payments are made. As you said, in order to create retained EU law, it was necessary, through secondary legislation, to correct all the elements that would not make sense if they were rolled verbatim from European law into domestic law. There has been a very large programme of secondary legislation to make those fixes. In a lot of cases that was done, it was agreed to do that. The Cabinet Secretary and his colleagues agreed that that should be done through Westminster secondary legislation with the appropriate consent. So deal or no deal changes the point in time at which EU law ceases to apply but does not change the legal mechanism that is then in place.

Chair: I think that clears it up for me.

Q528 **John Lamont:** There is now quite a big inconsistency with what the Cabinet Secretary said at the previous meeting compared to what is being said now. What you said, Cabinet Secretary, at the previous meeting was you stated that the existing powers under the devolution settlement, together with the Scottish Government's Continuity Bill, provided the legal basis. Now what you are telling us today is something quite different. Following up what the Chairman has said about what the Law Society of Scotland indicated about the UK statutory instruments that were passed in this place to provide the legal mechanism to protect payments to farmers again is inconsistent with what you told us last October.

Fergus Ewing: The key thing is that payments will be able to be made. I have not reread the whole evidence from the last session. If one is looking for a problem where one does not exist, then you will look, Mr Lamont, for a long time. Payments will continue to be made. We have worked very hard and my colleague Mairi Gougeon has worked very hard to co-operate with UK Government precisely to make sure that there can be continuity of payments irrespective of the scenario. I am advised by my official that your remarks about what I said in the last meeting are inaccurate. I do not see the point in treating matters—

John Lamont: I am sure you do not.

Fergus Ewing: —and discussing it ad infinitum where there is no problem. Farmers and crofters will continue to receive their payments irrespective of what happens. That is very important to me and that is why I have spent a lot of time to make sure that is what will happen.

John Lamont: Cabinet Secretary, I simply want consistency from the person in Scotland who is responsible for this. I also want to have some degree of confidence, as my farmers do, that payments are going to continue. Given the inconsistency in the evidence that you have given in October and today, that still raises quite significant questions in my mind, but thank you.



Q529 **Chair:** We spent an inordinate amount of time on this last time you appeared, Cabinet Secretary, so we will hope not to overburden you with this again. I think the thrust of the questions I recall was about whether farmers could be paid or not. I think that is now resolved.

Can I just ask you about the timing of your own Scottish Bill? Because I think we all know in this place that we are not likely to see the return of the UK Agriculture Bill until the Withdrawal Agreement has been agreed in the House of Commons. The timeline for that could be anything up to October at this stage. Is there a chance, therefore, that there might be a Scottish Parliament Bill before we see the Agriculture Bill back here in Westminster?

Fergus Ewing: I do not think that will be the case. What we have not mentioned is what is going to happen in relation to Brexit, maybe because nobody can give us the answer to that question. The prospect of a no deal has simply been deferred until, we believe, 31 October. The timescale from which we work back is that our Bill will have Royal Assent by summer of next year in order to be able to use the new powers, if so advised, if we so wish, and we need to have this legal entitlement to use new powers from 1 January 2021.

The undertaking that I give to you today and your members is that we will, working back from that required deadline, ensure that we present our Bill to the Scottish Parliament in sufficient time for it to do its deliberative and scrutiny role so that it can receive Royal Assent by summer of 2020.

In all the Brexit arguments, these are about mechanics, they are about technicalities. I would hope that members would accept that these are vital matters but they are not perhaps the critical matters, which are the future of Brexit, having enough EU workers to be able to run the rural economy, having £500 million a year that we have had from the EU as a faithful financial friend to the rural community in Scotland. These seem to be some of the bigger questions.

Chair: Hopefully we will get on to some of them, but David Duguid wants to come in.

Q530 **David Duguid:** Before I ask the question I was going to ask, I would just point out that I think certainly the farmers in my constituency would take exception to your last comment there, that this is not one of the critical factors. I know overall perhaps you may not think so, but certainly the farmers in my constituency and across Scotland are looking for certainty as soon as possible as to how those support payments are going to be made after 2020. Can I just confirm what you have said there, that there will not be a Scottish Agriculture Bill earlier than October this year, but you are aiming for something to be in place by summer 2020 with Royal Assent?

Fergus Ewing: I think I have said it twice. Paying farmers the money is absolutely essential to me. The mechanism by which we do so is just a



mechanism, but it is absolutely essential to me that farmers and crofters should receive their payment. That is why I was very pleased that last year, starting from 5 October, I believe it was—the beginning of October, at any rate—we were able to allow farmers to receive 90% of their entitlements in most cases of those who took up the financial facility, two months ahead of the rest of the UK. I would say our record on that has been a sound one. It is one I take extremely seriously.

Any farmer that writes to me with a serious problem will get an answer, but I am very confident with our policy, which is a five-year programme, and it is the longest period of stability from any Administration in the UK. Stability and Simplicity offers a five-year plan. I think you will be aware that farming, as in other rural sectors, is a long-term activity and the greater certainty—the less uncertainty—that can be provided, the better.

Q531 David Duguid: You mentioned the 50% payments, but isn't it the case that those are loans rather than an advance on payments or it is an advance on payments that has to be paid back when the payments finally come in?

Fergus Ewing: They are classed as loans, but the recipient of the loan does not pay any interest unless there is an overpayment and the recipient fails to pay back within 28 days, I believe, any amount overpaid. That is a very unusual circumstance, so de facto, Mr Duguid, they have amounted to kind of advance payments, although they are classified as loans. But the practical aspect is that I am pleased—and indeed, it was my specific request and direction to officials, who have done a great job of this, incidentally—that we should try to get the money out to our farmers and crofters as quickly as we possibly can, to get that money in their pockets and their bank accounts and into the rural supply chain so that the hauliers, the grain merchants, the fencing contractors can all receive their payment and cascade it down into the rural community. That is something that every week nearly I have a conference call of about 30 minutes' duration with senior officials about payment issues in general. That is how seriously we take this issue here in Scotland.

David Duguid: I will stop there because we do not want to stay on question 1 all day.

Chair: Yes, exactly.

Q532 Deidre Brock: Good afternoon, Cabinet Secretary. Just returning to the issue of payments and consistency but this time looking at the track record of the UK Government, obviously there has been a great deal of anger expressed by farmers, crofters and representative bodies over the loss of the EU convergence uplift moneys, some £160 million, as you mention. We are currently awaiting the outcome of the Bew review into domestic farm support funding between 2020 and 2022. How confident are you the outcome of that review will result in the funding uplift that bodies such as the NFUS are arguing should happen?



Fergus Ewing: I am due to meet Lord Bew tomorrow and make an oral submission to him. I have already made a written submission. The outcome is crucial to farmers and crofters in Scotland and it is crucial for the years 2020 to 2022, but also beyond. But what it does not cover, Ms Brock—and this is very important to be clear about—is that when Mr Gove was asked by me to obtemper the promise made by successive UK farming Ministers, commencing with Mr Paterson, he agreed that that review would be carried out, but it would be carried out into what happens between 2013 and 2020, into why it was that out of a total of £190 million intended for Scottish farmers, only £30 million was paid to them. Therefore, there is a deficit of £14,000 for every farmer and crofter in Scotland on average that the UK Government retained.

That money was money that the EU intended to benefit Scottish farmers and crofters and only Scottish farmers and crofters, because the whole policy point was to narrow the gap of the amount per hectare, where Scottish farmers and crofters are receiving about £45 per hectare. In other parts of the UK, it is way above the threshold of £90. All these Scottish farmers qualified and the only reason that the UK received any of this £190 million was because of that fact. To my way of thinking, this policy has been obstructed and thwarted by the UK Government and it is a scandal. I am afraid that Mr Gove failed to deliver the convergence review that he promised because he was overruled by the Treasury.

As a final point, and a very important point, Lord Bew and indeed ourselves have asked that there be sight of the advice given to DEFRA Ministers and the UK Ministers generally about the decision that was taken back so that we can see how come this money, intended for Scottish farmers and crofters, was diverted. What was the advice given to UK Ministers? Despite Mr Gove, in a debate with me in Scotland in February I think it was, saying that he wanted this advice to be made available to Lord Bew, it has not been. There is an independent inquiry that has been deprived of the opportunity to see the advice. It is quite shocking. He said it is because they are Cabinet documents, but Cabinet documents and ministerial advice has been available to the Holyrood inquiry, which Lord Fraser convened here, including advice to Donald Dewar when he was Scottish Secretary, so there is a precedent.

In any event, I am afraid Mr Gove does seem to me to have broken his promises, both on the nature of the convergence review—scrapped, overruled by the Treasury—and making the actual explanation available to Lord Bew. That is why that has not happened.

Q533 **Deidre Brock:** Goodness, that is quite alarming that Lord Bew would not be informed of that sort of important information. It seems to form a vital part of his review. I cannot understand that myself. Whatever the outcome of this review, do you think it is right that it should inform all the discussion around funding post-2022? I know it is a little difficult to judge that when you are not clear yet on what the outcome will be, but can I ask for your thoughts on that?



Fergus Ewing: Just to make sure that the record is correct, that is £14,000 for every hill farmer and crofter in Scotland. I should just make that clear.

To answer to Ms Brock's supplementary question, the outcome of the Bew review is important. It will be advisory only, though, and it remains to be seen to what extent we have confidence in the outcome of that inquiry. We were certainly not going to write a blank cheque. But a number of things are pretty clear. The amount of EU money paid to the Scottish rural economy is considerably greater as a proportion for Scotland than it is in England, so plainly Barnettisation would be ludicrous. In fact, the amount paid to Scottish agriculture is about twice the Barnett formula, but that does not cover the convergence funding that, as I say, amounted to a shortfall of £160 million.

The worrying factor, to conclude, is this: we have tried to be as constructive as possible with the UK Government, but if they withhold from Scotland £160 million, £14,000 for every farmer and crofter in Scotland, for reasons that even the Scottish authorities in Holyrood think are wrong, then what confidence can we have that we will get a fair outcome for Scotland from negotiations with UK Government, let alone the Treasury, post-Brexit? That increasingly is the question that more people are beginning to ask themselves.

Q534 **Deidre Brock:** You have previously said that Scottish farmers and crofters could lose out, as you are saying now, if historical payment rates are used to decide farm funding allocations post-Brexit. You have set out quite clearly some of the principles obviously you would like to see underpinning that. It has been suggested that an independent oversight body might be created to manage future disputes about intragovernmental inter-UK farm funding. Could I ask for your thoughts on that?

Fergus Ewing: We look constructively at any practical option of a genuinely fair and independent nature. We want to approach any negotiations in the spirit of trying to reach a fair outcome. But as matters stand at the moment—and I can provide the table to the Committee if you so wish—as at this year, 2019, the payments per hectare, which is the criteria deployed by the EU, for an average of 1,000 crofters in Scotland are the lowest of the whole EU. They are the lowest of any EU country. Scotland's per hectare rate is only 45% of the EU average, so the EU has a policy, as I understand it, of converging, so narrowing that gap to bring up the lowest-paid per hectare to nearer the average. It does seem to me that the UK Government, and certainly the Treasury, have plainly thwarted that. If that is the case, that does question the bona fides of the UK Treasury, who have completely ruled out giving this money to Scotland, to the farmers and crofters of Scotland, for whom it was intended and who are entitled to receive it.

I do not think it is so much about a process. Anybody can come up with a process and we can talk about what is fair and we will be reasonable



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about that. It is just about the naked exercise of power and the abuse of power by the UK Government towards Scottish farmers and crofters. I will never give up getting that money back for the farmers and crofters of Scotland, you can be sure of that.

Deidre Brock: Thank you, Cabinet Secretary. It certainly does not encourage a feeling of trust in the UK Government, I have to say.

Q535 **Chair:** Christine Jardine has just joined us. I know she was wanting to ask this question, but I will kick it off and she may want to come in on the back of this in terms of the response from the Cabinet Secretary. The question, Cabinet Secretary, was do you support the calls from NFU Scotland for future agricultural funding to be set over multiyear budgets to provide that long-term certainty for the farming sector.

Fergus Ewing: Good afternoon to Christine Jardine. I think it is an approach that has a lot to commend it because I am sure, Convenor, you and your colleagues will be aware of the problems caused by year to year budgeting in many walks of life, in the public service and third sector. Chasing money and scrambling after money year after year and not knowing what next year's budget is going to be is a hindrance. That is why a possible multiannual is a live issue.

I have discussed this with NFUS, I have discussed it with my colleague Derek Mackay and also the DEFRA Minister, Robert Goodwill, and raised it in the last inter-ministerial group meeting. If we think about it in simple terms, the EU has multiannual funding, it has frameworks of seven years. Although the EU can be a bit overprescriptive, even pernicky at times—some friends can be like that, can't they—it has been a good financial friend to Scotland. Over seven years there has been relative certainty and confidence among farmers, foresters and fishermen through the MFF and communities, LEADER funding, that this money is available over seven years.

What is going to replace it? A year to year deal. We will only have assurances that take us towards the end of next year, so we are moving from an EU multiannual framework to a UK Government proposal that, insofar as it is clear at all, would suggest that the approach is on an annual basis. That does not help the rural economy, most of which is based on long-term activities, whether to plant trees, what rotations of crops. You plan ahead with that and you do need the surety of knowing what financial support is available for whatever you do, not one year ahead, but several years. I hope that Mr Goodwill's plea to his colleagues will be taken up and a multiannual approach can be pursued if Brexit were to go ahead.

Q536 **Christine Jardine:** Apologies, Cabinet Secretary, I had a diary clash that was unavoidable at the start of the meeting.

I heard what you said when I was coming in about working for the interests of Scottish farmers and crofters and how disappointed you are in the approach of the UK Government and also what you have just been



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saying about multiannual awards, but what damage do you think has been done to the Scottish agricultural industry and how do you think we can avoid a repetition of the situation that we had in 2015 and 2016, with the long delay in the EU awards being distributed to farmers? Do you think there is a lesson we can learn there from that? If Brexit goes ahead, how could the Scottish Government guarantee that they would avoid that sort of problem happening in the future?

Fergus Ewing: There are two issues there. There are the disadvantages that come from a short-term approach in funding and then there is the performance of the payment administration system. In Scotland and down south, there have been former difficulties. I am very confident that in Scotland we have broken the back of these difficulties and the statistics show that, but above all, the pragmatic approach that I have taken in Scotland, of using loans as a method of frontloading payments into bank accounts of farmers and crofters, will allow them to then make decisions about purchasing assets, purchasing new equipment, a new tractor, a new combine harvester.

You are absolutely right, I think that a multiannual approach would be seen as extremely positive by most farmers and crofters because, as I think you will be aware not from your current constituency but from previous—

Christine Jardine: My past life.

Fergus Ewing: —activities, hill farmers in parts of Scotland are finding it very, very tough even now. That is before the prospect of Brexit. We see hill farmers possibly seeing a collapse in the land price later this year of up to 30% when they are not making much money at the moment. They are reliant on the support. It is not a subsidy. I see it as a support for rural communities for what they do. I think also they do a lot of good work in contributing to climate change. Mixed livestock farming is good for the environment. I think there is a growing consensus about that as well. We get a lot from the money that goes in to support our hill farmers. I am genuinely worried that that may be lost.

But if a multiannual approach were to be taken, I think that, perhaps more than anything else, would start to alleviate some of these worries and maybe stem the drift of young people from farming, another thing that we cannot afford to see continuing to happen.

Q537 **Christine Jardine:** Would it be fair to say that your view would be that it would be better for the Scottish agricultural industry to remain in the EU with perhaps reformed CAP rather than a UK-only strategy, which would be single-year payments rather than multiannual ones?

Fergus Ewing: Yes, I think that Scottish agriculture has more to gain by remaining in the EU, so I would agree with you very strongly on that.

I think the other issue that we have not touched on—and I know we do not have a huge amount of time—is the workforce, the people, labour.



Chair: Can I just stop you there, Cabinet Secretary? We will be directly coming to that, so we might save you time if we can just deal with this issue.

Fergus Ewing: If I can just finish answering the question, the CAP is not perfect, but the EU itself, Commissioner Hogan, is for reforming it.

Q538 **David Duguid:** I am not going to be tempted to get into fishing at this stage, although I would love to ask you about that as well and staying in the CFP. However, if your policy is to stay in the EU—let me go back. Let me ask you a question: do you believe Scotland or Scottish agriculture should have more flexibility over agricultural support than it currently has inside the CAP?

Fergus Ewing: Yes, I would like to see that. I was heartened by comments made by Commissioner Hogan, who is himself a farmer. He has argued for reform to the CAP. These discussions—I have been present in Europe in some discussions—are taking place and they are looking to reformulate the policy for the next seven years. I am reasonably confident that Hogan's proposals will give member states more flexibility in future. That is one of the many reasons why I think during the Brexit referendum the farmers and rural communities in Britain were sold a pup.

Q539 **David Duguid:** The pup I guess that you are referring to that they were sold was that outside of the EU, but within the United Kingdom, there would be the opportunity for Scotland and other devolved nations and England to have more flexibility over how we devise our own agricultural policies in the UK, and not as it was previously, the one size fits none from the Arctic Circle down to the Mediterranean. Would you agree with that?

Fergus Ewing: As I say, the proposals Commissioner Hogan has indicated will give members more flexibility in future. I am really positive about that. I think the benefits of EU membership, the guarantee of payment entitlement and also the guarantees of free movement and being outwith the EU does see us risk losing markets through the imposition of tariffs. Mr Gove admitted it in January, and indeed in discussions with me, that the imposition of tariffs up to around 40% on lamb would likely see a collapse in the lamb price. We have pressed the UK Government, as have the NFU and National Sheep Association, for a compensation scheme. Incidentally, that compensation scheme has to be worked out very quickly indeed. In a no deal it would simply be deferred and I think Mr Gove must get a move on with that. The loss of markets, the loss of trade, the imposition of tariffs, the threat of non-tariff barriers causing real risk of consignments of perishable goods such as shellfish being held up at Dover or Calais or elsewhere, becoming worthless, is a very real concern to the fishing sector, as it is to elements of the farming sector as well.



It does seem to me that the disadvantages are very clear and the blithe promises that were made by Mr Gove on the side on the bus and all of the rest of it have been shown to have been naive at best and disingenuous at worst.

Q540 David Duguid: As the Chairman has said, I think we are going on to labour later on, so I will come back on that then, but just to clarify what you said a second ago, it sounded like you were suggesting that for lamb producers in particular, if there was going to be such a compensation scheme, those lamb producers require the certainty of what that is going to look like sooner rather than later, much like what the future of agricultural policy is going to be overall in Scotland.

Fergus Ewing: We provided a five-year plan, so I think we have provided more stability and certainty than any other part of the UK.

Q541 David Duguid: In a discussion paper, but not on the face of a Bill.

Fergus Ewing: We provided it in a policy and we will implement that policy. Farmers I speak to are quite pleased about the policy because it does provide what I have said and they all have certainty. But that is subject to the UK playing ball and continuing to make sure that the overall funding, which they guaranteed prior to the Brexit referendum, £500 million a year across Scotland for rural communities, will continue to be matched. We only have limited assurances from the UK Government, which terminate not in 2024 in our five-year plan but in 2022. In fact, the Pillar 2 assurances terminate at the end of next year for forestry and LEADER, so they are hopelessly inadequate. In any event, the UK Government may not putter on until 2022, as I am sure you chaps down there are only too acutely aware of.

Q542 David Duguid: My question was: in principle at least, you would agree that the sooner our farmers know what is going to happen in the future the better? A simple yes or no question.

Fergus Ewing: That is why I think that no Brexit and staying in the EU is the better option, but if Brexit does go ahead and if there is to be no deal on 31 October—and that is a possibility apparently because the UK Government refuse to remove it from the table, although they say that it would be catastrophic, which is a very unusual situation for a Government of any nature—there does need to be clarity about specifics, about export health certificates of perishable goods, with preference given to them about live consignments. There needs to be a compensation scheme for lamb. Michael Gove accepts quite a lot of these points, and we were working on a compensation scheme—

David Duguid: I did ask a yes or no question, Chairman.

Fergus Ewing: —for 29 March but it has petered out since then. We have not seen any progress since then. I am just using this as an opportunity to say how important it is because it could lead to massive bankruptcy and serious mental health problems—about which I think we



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would all be concerned—for many farmers living isolated lives, who are already up against it, to see the market price for lamb collapse because of an unknown Brexit policy.

Q543 Hugh Gaffney: Hello, Cabinet Secretary. When you gave evidence in October you said constructive progress was being made with DEFRA on the policy area of the potential requirements of common frameworks. What progress has been made since then?

Fergus Ewing: I am sorry, progress on what precisely, please?

Hugh Gaffney: Sorry, DEFRA.

Chair: On the common frameworks, what progress has been made since your last visit here?

Fergus Ewing: We have had discussions on frameworks. The view that we take about frameworks is that we co-operate and are looking to see, Mr Gaffney, where we can work together, and this is not you, incidentally. We are already doing this in areas such as animal and plant health, such as research into forestry. Indeed, we just passed the devolution of forestry where research is one of the functions that would remain on a UK basis, so we are quite used to working with the UK Government between officials. The potential frameworks are subject to discussion. We are continuing the discussion and there is no agreed target date, indeed, for frameworks to be in place.

In some areas I think that the best policy approach might be to participate in an agreed UK-wide system. In other areas, we might want to work separately about close co-operation, for example, as we have done in animal and plant health. I will just finish with this. In some areas our key objective will be to ensure that any framework does not prevent Scotland from taking her own policy decisions, such as over future farm support schemes.

Q544 Hugh Gaffney: Progress has been made then?

Fergus Ewing: We have sought to make progress and what I would say is that the shadow of Brexit is hanging over us all. The really key things we need to make progress on I have sought to mention. In addition to that, the workforce issue is right at the top of the agenda and, frankly, these are the really important things.

Progress, of course, we expect to see both sides of the border; progress was, of course, hampered because of the need to prepare for a no deal. Every Thursday the First Minister chairs a resilience committee, which I participated in, and I and my officials here were involved in hundreds of hours of work on a no-deal Brexit and trying to avert it but also, as a responsible Government, to make sure that we prepared for the worst while hoping for the best.

I would say that progress on that matter that you raise, Mr Gaffney, has not been helped because all of us have had to spend so much time on



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preparing for an eventuality that, as it turned out, did not go ahead even on 29 March or 12 April but has just been put back to 31 October, I am afraid.

Q545 Hugh Gaffney: The Cabinet Office recently published a revised frameworks analysis that reduced a number of DEFRA policy areas on common frameworks. Did the Scottish Government agree with this assessment? I think it went from 24 to 16.

Fergus Ewing: I believe the UK Government have published a list of where a legislative framework might be needed in their opinion. It is too soon, I believe, to say what will happen. Discussions so far have been at a technical level without prejudice to eventual decisions by Ministers, and we approach these things in a co-operative and constructive manner.

Frameworks post-Brexit are perhaps of lesser importance than sorting out pre-Brexit what on earth is going to happen to the issues of funding, people, tariffs, taxes and practical problems of that ilk.

Q546 Hugh Gaffney: Finally then, are there any policy areas where you have been unable to agree with the UK Government over the need for common frameworks? Given what you just said about Brexit, I do not think there would be much.

Fergus Ewing: As I say, we do work with the UK Government on many matters in a reasonably co-operative way some of the time. We don't disagree about everything. As a Minister for 12 years, I have sought to have and to foster good relations with all the Ministers with whom I deal. In some areas we have differences, and I have had the opportunity to raise some of these today, but I hope that all of us—Michael Gove, myself, Mr Goodwill and others, Mairi Gougeon, my able Minister for Rural Affairs in Scotland—want to see the best for rural communities. There is a very, very different perspective here in Scotland about Brexit, from what I read about down south over the past wee while.

Q547 Tommy Sheppard: Cabinet Secretary, good afternoon. If I could just pursue you on the matter of common frameworks, I take your point that matters in the here and now are probably more important than considering what is happening post-Brexit but, nonetheless, it has not gone away. While perhaps, compared to the last time we met, there is probably a greater chance now of rethinking and stopping Brexit, there is still the prospect that on Halloween we could leave without a deal and on 1 November the current frameworks will suddenly disappear.

The last time you appeared before us you characterised the discussions with the UK Government as positive and purposeful. Would that still be your assessment? Six months later, how much progress has been made and, at that rate of progress, how long do you think it would take for the matter to be concluded and frameworks to be in place for the eventuality of Brexit?



Fergus Ewing: I am going to have to say that Mr Gove is always unfailingly polite and courteous and, therefore, our discussions are always framed in a moderate fashion. The difficulty is that we are just really not getting the clarity and certainty on the main issues that are of direct concern, such as guaranteed funding that we take for granted from the EU, such as the concerns about a loss of markets and the impact on Scottish agriculture, which Michael agrees would be a very serious impact, and, above all, about people in the workforce. I think this is really where the big, big difference exists.

It does seem to me that the UK Government see people coming from other countries as a problem, not an opportunity. Recently, the UK Government's White Paper on immigration suggested that they want to get the number of people coming into the UK down to tens of thousands. Well, they will achieve that but this is completely the opposite to the needs of Scotland. The rural community cannot function without people.

Over 90% of the veterinary staff in abattoirs are from Europe. If you don't have all these you cannot run an abattoir. You have to shut it. If we cannot run abattoirs there is no farming, there is no meat production. If we don't have people working in fish processing, you can have all the fish in the world but no one to process them, so more fish will be landed in Norway. If we don't have people working in forestry, as I have mentioned, in tree nurseries, in forestry contracting, then how do we reach the targets, which we are hopeful we will do quite shortly, to contribute to climate change?

People are an asset to Scotland and we welcome them from the EU. I just wish that this Parliament had power over population, over who lives and works in Scotland. If we did that I believe we could serve the Scottish people well and devise a system that is not so disastrous and catastrophic as the UK immigration policy, supported, sadly, apparently, by the Labour Party, unaccountably, as well as the Tories.

Q548 **Tommy Sheppard:** I agree completely with you, but I think that is probably beyond the remit of the discussion on post-Brexit common frameworks. I am just asking in terms of these common frameworks: would it be fair to say that both Governments share a perspective on what the purpose of the common frameworks might be or are there fundamental differences of opinion that might lead to a failure to reach an agreement, for example, over what limitations the Scottish Government should accept in terms of a UK context?

Fergus Ewing: I hope that we will work towards seeking as much agreement on non-controversial matters as possible but, separately from the discussions about long-term frameworks, temporary arrangements were discussed as part of a no-deal preparation so that there would not be a vacuum even in a no-deal scenario. Frameworks is a theoretical approach about providing a common approach in the UK and we are happy to have discussions about it, but it is relatively early days yet. I think that there is a question perhaps of putting the cart somewhat



before the horse and the thing that we need to deal with now is sorting out the mess of Brexit, hopefully scrapping it, hopefully having a people's vote, if it can be scrapped, so that people can decide, enlightened as they are by more of an informed debate than before the initial referendum took place.

We will pursue as reasonably as possible, Mr Sheppard, our approach on frameworks. I do not want to be too categorical about this now because it still is at the theoretical stage and, as I say, progress has been hampered by the fact that we had to spend so much of our time—all of us, I think, on both sides of the border—on preparing for a no-deal Brexit, and that was the right thing to do, quite frankly.

Q549 John Lamont: Just in relation to the frameworks in relation to wider policy in relation to farming, you have been very, very critical of the UK Government's approach. You have given the impression that everything the Scottish Government are doing is the right approach and has the support of Scottish farmers. All the way through your bluster that has been the consistent message. I was, therefore, a little bit surprised when I read the comments of Jonnie Hall, the NFUS Director of Policy, when he said in Aberdeen just a couple of weeks ago, "In many senses there is no vision in Scottish Government in terms of where it wants to be with future agriculture policy. We do look south of the border and at the Agriculture Bill and see, whether we agree with it or not, there is a direction of travel". Are the National Farmers Union Scotland wrong?

Fergus Ewing: First of all, just for the record, I don't accept the characterisation of my remarks Mr Lamont has come up with. I just do not accept that is accurate. I am quite specific about where I have criticisms of the UK Government. I accept that there is an intent. As I have said already—which Mr Lamont ignored—I think that every Minister wants to do the best by rural communities wherever they are in the UK, so I think that is a mischaracterisation. I am sorry that you have done that, but that is up to you.

To answer your question, I think we have excellent relations with the NFU Scotland. I am in regular contact with its office bearers. We have an outstanding vision for the future of agriculture in Scotland. I am not sure if the view that you have quoted is entirely complete. I certainly do not think it is shared by many, many others in the NFUS who I work with very closely.

At this stage I will say this. At the NFU Scotland AGM in February, it was Terry Jones, the Director General of the NFU England and Wales, who said farmers south of the border were highly envious of the degree of engagement that the industry has been enjoying in Scotland. He said that in England, "We found that any questions which we had on policy were met with the impression that they were already set in stone". There we are. That is a view expressed just a couple of months ago by our friends and colleagues at the NFUS.



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Q550 **John Lamont:** For the record, that was quoted two weeks ago in the *Press and Journal* from the first week in May from Jonnie Hall, Director of Policy National Farmers Union, Scotland. If you are challenging that it would be helpful to understand the basis of that challenge, because it is very clearly saying the Scottish Government lack direction when it comes to agricultural policy.

Fergus Ewing: I don't agree with that and nor do I agree that it is the complete view of the NFUS across the board. I am very pleased that I have good relations with Andrew McCornick, and all of his vice presidents, and also with NFUS representatives throughout the country. I had an excellent meeting recently with a parliamentarian colleague in Lanark, where the NFUS was extremely helpful and positive, and previously one in East and West Renfrewshire where again the local NFUS were extremely hospitable.

Chair: Cabinet Secretary, thank you.

Fergus Ewing: I have spent my whole career—20 years—dealing with the NFUS and I will continue to have good relations with the NFUS in Scotland.

Chair: Just for the context of those comments, they were made at a Conservative conference in Aberdeen if that was correct.

John Lamont: Chairman, point of order, I mean that was quoted in the *Press and Journal* attributed to—

Chair: Comments were made in the Conservative conference, am I wrong in that?

John Lamont: Are you undermining the evidence? You are undermining comment.

Chair: I was just giving the Cabinet Secretary context of where these remarks were made. That was all.

John Lamont: Well, I am sorry, it was a quote in the *Press and Journal* from the Director of Policy NFU Scotland at an event.

Chair: Thank you for that. All I am saying is they were made—

John Lamont: The fact that they were made at the Scottish Conservative Party conference should be irrelevant.

Chair: It cannot even be controversial to say that they were made at the Conservative Party conference, which would always have a distinct type of context—

John Lamont: You think he is being influenced. Are you saying that the comments—

Chair: We will move on, shall we?

John Lamont: No, no—

David Duguid: On that point, though, to back up Mr Lamont, Mr Lamont



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and I were both in the room and we could have expanded further but we didn't.

Chair: We have five minutes left with the Cabinet Secretary. If you want to come back to this after we have concluded our conversation with him, we will do that.

John Lamont: Point of order. I asked a legitimate question and you tried to undermine my question. It is not the job of the Chairman to undermine the context of the question that is being asked. It was quoted in the *Press and Journal*. I just question why you were challenging my question.

Chair: I will reply to your point of order. Of course, it was quoted in the *Press and Journal*. All I was giving was adding context to the Cabinet Secretary—

John Lamont: That is not the job of the Chairman.

Chair: —that this was made at the Conservative Party conference, which is totally uncontroversial and just allows an understanding.

John Lamont: Can I—

Chair: No, that is it. That is it. No more points of order. If you want to bring this up after this session you are—I have ruled on that point of order. We are going to continue with this evidence session with the Cabinet Secretary.

Q551 **Christine Jardine:** Cabinet Secretary, just returning to immigration and the workforce, the immigration White Paper has set a target of the UK no longer requiring low-skilled workers by 2020. Is this viable, do you think, for agricultural sectors in Scotland to be able to operate efficiently?

Fergus Ewing: I am sorry, I did not hear the very first part of the question, but suffice it to say that I do not think any part of the UK's policy in relation to work permits and immigration as it affects the rural economy is viable or desirable or sensible or practicable or has any merit whatsoever. I am deeply worried about the impact that these policies will have. I have spent a lot of time visiting businesses, particularly processing businesses of fish or shellfish or vegetables or meat abattoirs. These fairly largely depend on—one big company I won't mention but it has 26 different nationalities.

I know that you and I do share, I think, a common approach that these people are working hard in Scotland. They are working in Scotland. Many of them came here 10, 20 years ago. They have a partner in Scotland, have children in schools. Many of them want their families to come here or would like to have that freedom of movement so that their families can come here. All these things are threatened and I think that the concerns are shared.

For example, Mr Porter of the NFUS had a devastating critique, which I commend to the Committee in its detail, about how in every respect the approach the UK Government are taking will be damaging to the rural



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economy in Scotland and perhaps south of the border as well. I do not know. That is not my area. I am profoundly concerned that this could be the most damaging thing of Brexit of all, the loss of free movement and the enormous human freedom and benefits, not just financial but emotionally in terms of wellbeing and welcome that free movement has given ear to.

Q552 Christine Jardine: There has also been a suggestion of a time-limited route for short-term temporary workers with a 12-month cooling off period. Do you think that will do anything to alleviate the sector's labour issues?

Fergus Ewing: I think it is just ludicrous. It is ludicrous as people that want to come want to come year on year. They work hard. They remit money back to their country of origin in many cases. Many of them will come to the south of England and work up north as the season develops, and limitation in this way seems to me to be ludicrous.

When I debated with Mr Gove in February of this year, he himself said that parts of the policy were damaging. The £30,000 cap: he himself said in front of an audience that he would like that cap to be removed. He is in the Cabinet. I know that collective responsibility seems to have gone for a burton but, then again, no doubt you will have the opportunity to ask him himself what he thinks about this suite of policies.

I have not actually met any stakeholders, Ms Jardine, in Scotland—and I deal with them a lot—who think that this policy overall is anything other than severely damaging, potentially damaging to the rural economy.

Q553 Christine Jardine: You have been very critical of UK Government policy and, while I share a lot of your concerns about the impact of Brexit on the agricultural sector, I wonder if you could explain to us how you feel the UK Government should support farms into making the transition away from overseas workers if Brexit goes ahead. What is it in the policy that you would like to see change?

Fergus Ewing: I think remove the threshold, remove the 12-month on and off, remove the ridiculous cap on proposed seasonal workers. I am advised that there are around 10,000 seasonal workers employed in Scottish agriculture alone and they are working in a sector where it is not suitable to seek local labour because of the seasonality. Moreover, they are not easily replaceable by machines because of the nature of the crop.

It is not just agriculture. It is fishing as well. Mike Park has pointed out that the onshore processing sector relies on 70% EEA workers and that they are already finding it difficult to recruit staff. I am hearing very concerning things about the future viability of fish processing in Scotland, so what should happen? All these constraints seem to me to be anti-rural, anti-rural economy, anti-people as well. I think they should be swept away and we should retain free movement and we should—all of us—



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make it clear that people coming to work hard in Scotland are welcome and an asset, a good thing, and that we need more of them, frankly.

The demographic trend about the working population in Scotland—I do not have the figures in front of me—is shrinking long term, and if we make it even more difficult for ourselves, in the way that the UK Government seek to do, I think we are going down a very dangerous route indeed.

Q554 Christine Jardine: Would you agree then—to characterise and summarise your remarks—that you believe that leaving the single market and the customs union and losing freedom of movement would be damaging for the agricultural sector not just in Scotland but throughout the UK and that the UK Government’s proposals at the moment do not address that issue?

Fergus Ewing: Yes, I would. We have had some modelling that, where EU migration is 50% lower, real GDP would be around 6.2% lower by 2040. It is equivalent to a fall of £6.8 billion a year in GDP by 2040, so the figures are pretty serious.

Above all, I think it is important that people who are working here in Scotland and Britain are made to feel welcome and valued and not disrespected, and that is a phrase I have heard from some of the EU Scots who I have spoken to in my travels.

Q555 Chair: Cabinet Secretary, we know we only had you to 2.30 pm. Are you all right to take a few more questions—we are just about to wind up the session—or do you have to be somewhere else?

Fergus Ewing: No, I am happy to carry on as long as you have enough time for your points of order.

Chair: I am sure we will find time for that, thank you, but on this very issue John Lamont and then David Duguid.

Q556 John Lamont: Cabinet Secretary, we do appear to have an issue about attracting migrant labour to Scotland in some sectors of the economy. A few weeks ago this Committee heard evidence from Concordia and Pro-Force, who you will be familiar with. They are running a pilot scheme for seasonal workers. There were two things that they told us. First, that many of the workers that they are dealing with are actually non-EU nationals. They are coming from Ukraine and other non-EU countries.

The other thing that they said was very often when the workers arrive in the UK there are two things that they say. They do not want to do strawberries and they don’t want to come to Scotland, which I found quite surprising. Why do you think Scotland, in the context of the rest of the UK, is particularly bad at attracting migrant workers?

Fergus Ewing: Scotland is not particularly bad at attracting migrant workers because we have been doing it successfully for years. The reason why the companies you mention have reported that there are non-EU



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people taking part in the scheme is that at the current time the EU workers do not need to, so why do they?

Mr Lamont, you are entitled to your view, obviously, but my view is that I have not spoken to a business in rural Scotland over the last few months that has not expressed serious concern about its future operations being made more difficult by the difficulties in recruiting and retaining staff. I do not want to name names. I could reel off a whole list of household names in Scotland. That would not be appropriate or fair in this context. It would be a breach of confidence.

I think this is a profoundly misconceived approach, not just by the Conservatives but, sadly, by the Labour Party as well, and I do very much hope in the discussions that take place about Brexit that freedom of movement can be reassessed as a good thing, not a bad thing.

Q557 **John Lamont:** Sorry, that was not my question, with the greatest respect. Concordia and Pro-Force had previously and do still deal with some EU nationals who are moving around the EU, but they made the point very clearly in their evidence—which I suggest you read—that the bulk of their workers are now coming from non-EU countries, and even if we stayed in the EU this was still going to be a challenge for Scotland.

The other point—which again I would suggest you read—was the issue about when they do arrive in the UK there does seem to be some resistance to come to Scotland. I want to know what your views are on how we address that. Again, your bluster was very interesting but I am quite keen to get to the specifics of what these two businesses told us in a previous evidence session.

Fergus Ewing: I don't accept the premises that you put.

Q558 **John Lamont:** It is not what I put. It is a quote. Just to be clear, it is not what I am putting. It is evidence that the Committee has heard.

Fergus Ewing: I have had direct discussions, not just with companies arranging for third parties that we will never meet but with people who are from EU countries working in Scotland, many of them for many years. I have had roundtable discussions. I have heard what they have had to say. In one case a young woman from Poland said that there was a feeling now among certain of her friends back in Poland that because of Brexit, Brexit is a deterrent to people coming to the UK because of the sense of disrespect that that engenders.

However, if Mr Lamont is suggesting that immigration should be devolved to Scotland and the Scottish Government I would heartily agree with that.

John Lamont: You are clearly unable to give me the answer to the question I am putting. Perhaps you could write to the Committee, once you have read the evidence that this Committee has previously heard, to actually give us a substantive answer rather than that complete non-



answer.

Q559 **Chair:** I do not know if you heard that session, Cabinet Secretary, that we had with Pro-Force and Concordia. They detailed a whole load of difficulties with the pilot scheme. It may have been communicated to you that there was an issue about securing the visas. It was taking up to 31 days and beyond for them to secure the visas to come to the UK. There were only two centres available in Moldova and Ukraine for this to be processed. What are your views on how you would see the effectiveness of the pilot scheme, given those difficulties at the heart of it, and what value it is bringing in terms of trying to address some of the issues that we have around the seasonal workforce?

Fergus Ewing: The scheme should be a message for you. That is the basic point I make. Difficulties of the sort you describe just illustrate the practical problems in attempting to implement such a scheme. We will have a close look at the evidence, out of respect to yourself and your colleagues, and if there is anything further that we feel we can usefully add from the Scottish Government perspective, of course we will revert to you about that.

The bigger picture is then really clear. Brexit is hugely damaging to the rural economy because of, in particular, the impact it is already having and will have in future on reducing the availability of people from EU countries to work in the rural economy and in many other parts of the economy.

Q560 **David Duguid:** Cabinet Secretary, I think you said of the immigration White Paper that it holds absolutely no merit whatsoever. Is that correct? Did I hear you correctly?

Fergus Ewing: As far as the rural economy is concerned, I cannot see any advantages at all, no.

Q561 **David Duguid:** Do you not accept, therefore, that although coming out of the EU would represent an end to free movement, the positive policy as set out in the immigration White Paper of a more level playing field, not just to attract workers from the EU but from across the world to help satisfy some of the industries you have just listed—so food processing in general, seafood processing in particular—that are right now in the European Union, while we still have freedom of movement, struggling to find labour to come to Scotland so they are looking to go to Ukraine, Moldova, Russia, places that have land borders with the EU that can make their way here, do you not accept that the White Paper allows us to create that more level playing field and allow the facilitation of Scottish employers to access a wider source of labour?

Fergus Ewing: I have never said that people from outwith the EU were not welcome in Scotland. Of course they are. I would point out that 63% of workers in Scotland earn less than the proposed £30,000 salary threshold—



Q562 **David Duguid:** That is not the question. We have covered the cap. With respect, Cabinet Secretary, we have—

Fergus Ewing: I am just quoting—

David Duguid: I know, but that is not the question. I am asking about—

Fergus Ewing: I am just pointing out how hopelessly impractical and damaging it is.

Q563 **David Duguid:** Yes. To be fair, I would have to go on record as saying I agree that the £30,000 is too high and I have made representations to that effect to the Home Secretary myself but, with respect, that wasn't the question. The question was asking you if you could accept that there is a positive aspect to the immigration White Paper in that it is seeking to help facilitate the attraction of a wider global source of foreign labour beyond the EU and not be limited to the European Union. I am hearing anecdotal evidence as well—I am not going to repeat names any more than you are—from companies around my constituency who are struggling to get people from the European Union, not because they are afraid to come here or they are being made to feel unwelcome but because they do not feel the need to. Their own economies are improving. Do you not accept that the White Paper sets out the opportunity to have a more level playing field?

Fergus Ewing: I don't think that there would be a playing field that is level. The playing field is pretty much tilted against the rural economy. Why would it be any easier to get staff from further away than from the EU? The EU countries are nearer. It is easier for people to travel here than it is from America, Australia, New Zealand, Malaysia and so on.

Let me be absolutely clear. We welcome people who come with good intent and lawfully enter the UK and wish to work hard in Scotland wherever they come from. That is our approach, but it doesn't seem to me that this White Paper is really advancing anything. On the contrary, it seems to me to be completely disastrous. I am very pleased that you agree with me on the £30,000 threshold, but it does not really seem to make much difference. Even though Mr Gove disagrees with it, the UK Government just blithely go on, don't they? Where do you think this is going to end? If people are willing to see immigration policies devolved to Scotland I would very much welcome that.

Q564 **David Duguid:** My last question then—because I am not getting brief answers to my questions—is on the subject of being made to feel unwelcome. The Prime Minister, the Home Secretary and other Cabinet Ministers, including Michael Gove, have repeatedly reaffirmed at the Dispatch Box in this place that our EU citizens, friends, neighbours, labour workforce are welcome here. Do you accept that there is an element of scaremongering in the SNP rhetoric, which gets transmitted to EU citizens either living in this country or thinking about living in this country that they will be made to feel unwelcome and that actually nothing could be further from the truth?



Fergus Ewing: I have heard the Prime Minister and others making statements to that effect, so I would acknowledge that. What I would say in reply to that is a general point, which is that that is what they said but what are they doing? As it says in the good book, "By your deeds shall ye be judged".

Q565 **Ross Thomson:** Cabinet Secretary, a key theme of this inquiry has been round about the increasing uptake of new technology, and this Committee actually visited a vertical farm at the James Hutton Institute. I would be interested to hear from you if there has been much joint working at all with the UK Government on achieving more uptake of new technology.

Fergus Ewing: I think in general, Mr Thomson, we share a desire to further promote innovation in agriculture. We already do that through funding of innovative projects through, for example, the Knowledge Transfer and Innovation Fund. We also do so through the Farm Advisory Service and through a complementary innovation brokerage service through Rural Innovation Support Service.

You mentioned vertical farming. That is one of a number of innovative techniques. It is right that we should support and be willing to consider that. I have also attended AgriScot for the last years and seen the increasing role that technology and digital technology is playing in farming, such as minimising the use of fertiliser by ensuring its controlled spread by the use of digital technology.

I do not think there is any dispute that, in theory, that is obviously a good idea and I hope that everybody would agree that these are things that should be pursued.

Q566 **Ross Thomson:** Thank you, Cabinet Secretary. You mentioned a number of schemes that are up and running. I would be interested in your view about practically what could be done to encourage more farms to participate with the existing knowledge exchange partnerships—such as SEFARI Gateway—and become even more involved in that development of new technology.

Fergus Ewing: You have raised it today, so hopefully that will give it an element of traction. I entirely support the availability of advice in this matter. The advice service is a useful one. I know that there are lots of people involved in agriculture, and I am sure members will be aware of them. People that work in SAOS, for example, are at the forefront of pursuing innovative techniques; for example, farm co-operatives through grain storage and through institutes and the research being done into barley. There is a whole range of farming techniques. It is a very dynamic sector. I am very pleased that you have raised this.

I would say, though, to conclude, that neither Mr Gove nor DEFRA Ministers have made any approach at ministerial level to work together on new technology. I do not say that in a negative way, just to report



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that as a matter of fact. There has been limited discussion at official level. I would welcome further discussion about these matters.

Chair: Cabinet Secretary, thank you ever so much once again for your appearance. I think there are a couple of things that your officials probably took a note of that we may want to get back to you about, and I am pretty certain we will get fulsome responses. Once again, thank you for your time at the Scottish Affairs Committee. Thank you very much for your evidence today.