



Department  
for Environment  
Food & Rural Affairs

**George Eustice MP**  
From the Secretary of State for Environment,  
Food and Rural Affairs

Seacole Building  
2 Marsham Street  
London  
SW1P 4DF

T 03459 335577  
defra.helpline@defra.gov.uk  
www.gov.uk/defra

Pete Wishart MP  
Chair, Scottish Affairs Committee  
House of Commons  
London, SW1A 0AA

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Dear Pete

Thank you for your letter of 16 October about the Government's response to the Scottish Affairs Committee's report into 'the future of Scottish agriculture post-Brexit'. I would also like to thank you for your kind words about the response, I am pleased that you found it helpful. I apologise for the delay in responding to your letter, which was due to the general election and subsequent re-election of Committee Chairs. In your letter you ask for further detail on a number of points and I have addressed each of these below.

### **Agricultural funding**

First, you ask what methodology the Government intends to use to determine each nation's share of agricultural funding. You also asked what the timetable is for making such a decision and if the Government intends to consult the sector on future funding mechanisms.

As agriculture is devolved, this means that outside of the EU each UK administration has the flexibility to develop agricultural policy suited to their own unique circumstances. It will be for the Scottish Government to decide how best to support farmers in Scotland operating on the most challenging types of land.

The Government has already provided funding to allow Direct Payments for 2020 to be made at the same level as for 2019. Funding beyond 2020-21 will be for a future fiscal event or spending review and will deliver the UK Government's commitment to guarantee the current annual budget to farmers in every year of this Parliament. As part of this process, UK Government ministers will engage with the devolved administrations in the usual way.

### **Domestic no-deal tariffs**

I understand the Committee's interest on the impact on the agricultural sector of the UK failing to leave the EU with a deal.

Now what the UK has left the EU, we will enter a temporary transition period which will apply until the end of December 2020. The UK will continue to import goods tariff free from within the EU and will continue to apply the EU's Common External Tariff (CET) to goods imported from outside the EU during this period. At the end of the transition period the Government will

introduce a long-term tariff regime. At the same time, we will negotiate a Canada-style free trade agreement with the EU that will take effect from the end of the transition period in December. The UK's priority in negotiations is to ensure that we restore our economic and political independence on 1 January 2021.

### **Seasonal Agricultural Workers Scheme**

Defra and the Home Office have established a regime to monitor and evaluate the Pilot against its objectives and expected benefits. This will enable us to determine if the Pilot could provide a longer term model for responding to seasonal labour shortages in the horticulture sector. The nine objectives of the Pilot, set out in section 6.3 of the Pilot's RFI are to:

1. Determine if the Pilot could provide a longer term model for responding to seasonal labour shortages in the horticulture sector
2. Test the Pilot's ability to alleviate seasonal labour shortages in UK horticulture
3. Provide seasonal labour across the UK, so that all parts of the UK benefit from the Pilot
4. Assess the capability of the industry to manage the Pilot effectively
5. Assess the impact of the Pilot on local communities
6. Ensure that the Pilot provides for robust immigration control
7. Ensure that the Pilot adequately protects migrant workers from modern slavery and other labour abuses
8. Ensure that the monitoring and reporting regime adequately informs the Home Office and Defra of the operation of the Pilot, and
9. Assess the financial impact of the Pilot.

In addition to these objectives, the two expected benefits of the Pilot, set out in section 6.4 of the Pilot's RFI are:

1. To mitigate seasonal labour shortages in the horticulture sector across the UK. As with the pre-2013 SAWS, the Pilot aims to alleviate shortages, but not supply all necessary labour, and
2. To trial a possible approach of seasonal labour beyond the Pilot.

We will publish the outcomes of the Pilot evaluation process at the end of the first year and at the end of the second year of the Pilot. Home Office will provide information on any future scheme or changes to the Pilot at the earliest opportunity.

The expansion of the pilot to 10,000 places in year two will enable us to carry out a more extensive evaluation of the systems and processes of the Pilot.

The pilot will continue to be operated by the two independent labour providers licenced to manage the scheme – Concordia and Pro-Force – selected through open and fair competition. The pilot will also continue to operate in the edible horticulture sector, to support farmers growing UK fruit and vegetables. This is the sector of agriculture which has been experiencing the most severe seasonal labour shortages, and which the pilot aims to support.

A review will be carried out ahead of any decisions being taken on the longer-term future of this scheme.

## **Geographical Indications**

I agree that it is positive the Committee and the Government share the same view on the importance that geographical indications have on protecting Scottish products.

You have asked about what support the Government would provide producers if UK GIs are removed from EU registers.

Under the Withdrawal Agreement, any GIs registered under the EU schemes on the last day of the transition period, will continue to be protected in the UK unless and until a subsequent agreement enters into force. Protection for UK GIs will continue automatically in the EU by virtue of being included on the current EU GI registers. The EU is therefore unlikely to take steps to remove existing UK GIs from the EU GI registers.

If the EU took these steps to remove current UK GIs from the EU GI registers, Defra would support UK GI holders in re-applying to the EU schemes as third country applicants.

## **Agricultural Common Frameworks**

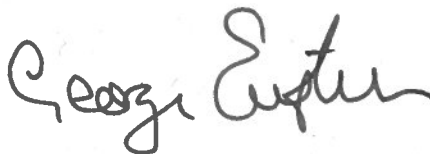
I am also grateful for the committee's continued interest in the development of an Agricultural Support Framework. The framework will seek to establish bespoke solutions for a range of complex policy areas, treading new ground for both the UK Government and the devolved administrations as powers are repatriated from Brussels. It is vital that we take into account the interests of all parties through collaborative, iterative development.

The Agricultural Support Framework is currently planned to cover marketing standards and agricultural support schemes, market intervention, data collection and sharing, and cross border farms.

Officials have had positive discussions on all the issues in scope of an Agricultural Support Framework. The Government and the devolved administrations are also committed to updating parliamentary committees at key moments in the development of frameworks and consulting them on the arrangements that will need to be put in place. The Government is committed to transparency throughout this process and has already published a draft framework outline relating to Hazardous Substances.

Our plan is to have the framework in place by the end of the transition period. The agreement and implementation of this framework remains a priority for the Government and I will keep you informed of this work.

Thank you again for your letter and I look forward to working with the Committee in the future.



**George Eustice**

