



Department
for Environment
Food & Rural Affairs

Seacole Building
2 Marsham Street
London
SW1P 4DF

George Eustice MP
Minister of State, Department for Environment,
Food and Rural Affairs

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

The Earl of Kinnoull
Chairman
Select Committee on the European Union
House of Lords
London
SW1A 0PW

30 January 2020

Dear Lord Kinnoull,

EM 9645/18: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING RULES ON SUPPORT FOR STRATEGIC PLANS TO BE DRAWN UP BY MEMBER STATES UNDER THE COMMON AGRICULTURAL POLICY (CAP STRATEGIC PLANS) AND FINANCED BY THE EUROPEAN AGRICULTURAL GUARANTEE FUND (EAGF) AND BY THE EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (EAFRD) AND REPEALING REGULATION (EU) NO 1305/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AND REGULATION (EU) NO 1307/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (AND ADD 1)

9646/18: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT ACCOMPANYING THE DOCUMENT PROPOSALS FOR A - REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING RULES ON SUPPORT FOR STRATEGIC PLANS TO BE DRAWN UP BY MEMBER STATES UNDER THE COMMON AGRICULTURAL POLICY (CAP STRATEGIC PLANS) AND FINANCED BY THE EUROPEAN AGRICULTURAL GUARANTEE FUND (EAGF) AND BY THE EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (EAFRD) AND REPEALING REGULATION (EU) NO 1305/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AND REGULATION (EU) NO 1307/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL - REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE FINANCING, MANAGEMENT AND MONITORING OF THE COMMON AGRICULTURAL POLICY AND REPEALING REGULATION (EU) NO 1306/2013 - REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATIONS (EU) NO 1308/2013 ESTABLISHING A COMMON ORGANISATION OF THE MARKETS IN AGRICULTURAL PRODUCTS, (EU) NO 1151/2012 ON QUALITY SCHEMES FOR AGRICULTURAL PRODUCTS AND FOODSTUFFS, (EU) NO 251/2014 ON THE DEFINITION, DESCRIPTION, PRESENTATION, LABELLING AND THE PROTECTION OF GEOGRAPHICAL INDICATIONS OF AROMATISED WINE PRODUCTS, (EU) NO 228/2013 LAYING DOWN SPECIFIC MEASURES FOR AGRICULTURE IN THE OUTERMOST REGIONS OF THE UNION AND (EU) NO 229/2013 LAYING DOWN SPECIFIC MEASURES FOR AGRICULTURE IN FAVOUR OF THE SMALLER AEGEAN ISLANDS (AND ADD 1-2)

9634/18: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE FINANCING, MANAGEMENT AND MONITORING OF THE COMMON AGRICULTURAL POLICY AND REPEALING REGULATION (EU) NO 1306/2013 (AND ADD 1)

9556/1/18 REV 1: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATIONS (EU) NO 1308/2013 ESTABLISHING A COMMON ORGANISATION OF THE MARKETS IN AGRICULTURAL PRODUCTS, (EU) NO 1151/2012 ON QUALITY SCHEMES FOR AGRICULTURAL PRODUCTS AND FOODSTUFFS, (EU) NO 251/2014 ON THE DEFINITION, DESCRIPTION, PRESENTATION, LABELLING AND THE PROTECTION OF GEOGRAPHICAL INDICATIONS OF AROMATISED WINE PRODUCTS, (EU) NO 228/2013 LAYING DOWN SPECIFIC MEASURES FOR AGRICULTURE IN THE OUTERMOST REGIONS OF THE UNION AND (EU) NO 229/2013 LAYING DOWN SPECIFIC MEASURES FOR AGRICULTURE IN FAVOUR OF THE SMALLER AEGEAN ISLANDS

Thank you for your letter of 16 January 2020 about the plans for future funding to farmers.

On 30 December 2019 the Chancellor announced £2,852 million of funding in the UK across financial years 2020/21 and 2021/22 for Direct Payments for 2020. This replaces funding from the European Union and will allow the funding for Direct Payments for 2020 to continue at the same level as 2019. It results from the fact that the 2020 Direct Payment scheme across the EU is funded from the next Multiannual Financial Framework, which means that in the UK the 2020 scheme will be funded domestically by the UK Government. Other farm support under the Common Agricultural Policy will continue to be funded by the EU during 2020.

The funding for Direct Payments for 2020 will be allocated between the four parts of the UK as follows:

- £1,751 million in 2020/21 and £92 million in 2021/22 for the Department for the Environment, Food and Rural Affairs;
- £449 million in 2020/21 and £24 million in 2021/22 for the Scottish Government;
- £231 million in 2020/21 and £12 million in 2021/22 for the Welsh Government; and
- £279 million in 2020/21 and £15 million in 2021/22 for the Northern Ireland administration.

This funding will be ring-fenced for Direct Payments and is based on an exchange rate of €1=£0.89092, the same rate as used for Direct Payments 2019. It is in addition to the £216.6 million of funding awarded since the Spending Round to support the farming sector in Scotland and Wales.

More broadly, the UK Government has provided more certainty going forward by guaranteeing the current annual budget to farmers in every year of this Parliament. The precise quantum under the commitment will be a decision for a future fiscal event.

I am copying this letter to the Chair of the European Scrutiny Committee. I am also copying this letter to the Clerks of the Commons and Lords Committees, Jessica Mulley and Chris Johnson respectively; Les Saunders, Department for Exiting the European Union; and Amy Seakins, Defra Scrutiny Co-ordinator.

Best wishes,



GEORGE EUSTICE MP