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European Union Committee

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12 September 2018

George Eustice MP
Minister of State for Agriculture, Fisheries and Food
Department for Environment, Food and Rural Affairs
Seacole Block
2 Marsham Street
London, SW1P 4DF

Dear George

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 Explanatory Memorandum (EM) on the above Proposals, which was considered by our Energy and Environment Sub-Committee at its meeting on 12 September.

We note that the Common Agricultural Policy (CAP) reform is expected to take effect no earlier than 1 January 2021, and as such the details of how the Proposals would work in practice are not immediately relevant to the UK. However, as explored in our scrutiny of the Commission's Communication on the Future of Food and Farming (EM 14977/17), the UK imports 30% of its food from the EU, so UK consumers are inherently affected by its approach to agriculture; and the post-2020 CAP also has the potential to affect competition between UK and EU farmers. During our correspondence regarding that Communication you provided an initial view that the main areas of divergence between future UK and EU agricultural policy would be in relation to income support and direct payments, as well as the provision of new environmental land management schemes, funding for productivity schemes, and compliance and enforcement regimes, but also noted that at the time the Commission's proposals were at an early stage. Now that firm legislative Proposals have been put forward, what is your assessment of the main areas of divergence between future UK and EU agricultural policy? And what is your assessment of the potential effect of the proposals on the UK as a third country?

What progress have you made in securing carve-outs to ensure that the UK is not required to implement any individual Articles that take effect before the end of the expected transition period? In addition, please explain what the Articles in question would require of the UK if you are not successful in agreeing the necessary exemptions.

Please keep us informed regarding the negotiation of these Proposals, and provide an assessment of the impact on the UK of any substantive changes proposed.

We have decided to retain the Proposals under scrutiny. We look forward to a reply to this letter within 10 working days.

I am copying this letter to Sir William Cash MP, Chair of the House of Commons European Scrutiny Committee; Philip Aylett, Clerk of the European Scrutiny Committee; Arnold Ridout, Legal Adviser to the European Scrutiny Committee; Les Saunders, DExEU, and John Leach and Craig White, Scrutiny Coordinators, DEFRA.

Yours sincerely,

Tim Boswell

Lord Boswell of Aynho
Chairman of the European Union Committee