



Department
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The Rt Hon Lord Boswell
Chairman
Select Committee on the European Union
House of Lords
London
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21st September 2018

Dear Tim,

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)

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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)

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Thank you for your letter of 12 September 2018, in relation to our Explanatory Memorandum on the above proposals.

I shall respond to each of your questions in turn.

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?

The Agriculture Bill is part of the Government's programme of critical legislation to deliver a smooth Exit from the European Union and seize the opportunities of a green Brexit. It will allow us to break from the EU's Common Agricultural Policy (CAP).

Farmers will be supported over a seven year transition period as we as leave the CAP. During that time, Direct Payments will be phased out gradually in England. This is a key area of divergence between future policy in England and the future CAP, which proposes that Direct Payments continue.

We will introduce a new environmental land management system, which will bring in a new era for English farming, providing an income stream for farmers and land managers who protect and preserve our natural environment. For the first time, farmers and land managers will be able to decide for themselves how they can deliver environmental benefits from their businesses and their land, and how they integrate this into their food, timber and other commercial activities.

The new system will involve spending public money on public goods, in particular protecting and enhancing our environment by improving air and water quality, improving soil health, increasing animal welfare standards, increasing public access to the countryside and creating measures to reduce flooding.

And what is your assessment of the potential effect of the proposals on the UK as a third country?

We have not conducted a full assessment at this stage of the potential impact of future EU support for agriculture and the environment on non-EU member states. Both the proposed new CAP and our own plans for future support in England are at early stages of the legislative process. The EU proposals in particular may be subject to change and even delay. In any case, my priority is to focus on introducing the best possible framework for our own farmers and agricultural environment. Specifically, we propose a UK-EU free trade area for goods, to ensure continued frictionless access at the border to each other's

markets. This would be underpinned by a common rule book for goods, which, for agri-food, would cover only those rules necessary to provide for frictionless trade at the border.

Throughout all our policies we will maintain our standards on food safety, animal welfare and environmental protection as part of any future trade deals.

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?

Carve-outs are not necessary. The CAP post-2020 proposals, and all relevant articles, are intended to come into force on 1 January 2021, by which time any Implementation Period will have ended. The UK will leave CFP and CAP and will be free to design agricultural support policies that deliver the outcomes most relevant to our markets within the confines of WTO rules.

The agreement for a time-limited implementation period is an important step towards finalising the Withdrawal Agreement, where the negotiating teams continue to make substantial progress.

I am copying this letter to Sir William Cash MP, Chairman of the European Scrutiny Committee. I am also copying this letter to the Clerks of the Commons and Lords Committees, Lynn Gardner and Chris Johnson respectively; Les Saunders, Department for Exiting the European Union; and Craig White, Defra Scrutiny Co-ordinator.



GEORGE EUSTICE MP