Dear Rob

CAP PAYMENTS

I am writing to give the Committee an update on some further actions we are taking to support farmers and crofters in Scotland who are still waiting for a direct subsidy payment.

The First Minister will be confirming today that we are taking action using up to £200 million of Scottish Government funds to ensure that the vast majority of claimants will receive a cash advance in April while Common Agricultural Policy (CAP) claims are being processed.

Under the Scottish Government’s National BPS Scheme, funded wholly by the Scottish Government, any farmers and crofters who have not yet received a first instalment by the end of March will automatically receive a cash advance worth 80 per cent of their CAP claim. Support under this scheme would be offset against the claimant’s CAP payment. De minimis state aid rules will apply.

The details of the scheme are being finalised however it will operate in a similar way to the National LFASS Scheme I announced last week. Farmers and crofters who have submitted a basic, greening or LFASS application in 2015 will be sent a letter explaining what we plan to do and what it means for them.

I will continue to provide further updates with our progress.

Yours sincerely,

RICHARD LOCHHEAD