



OFFICIAL REPORT
AITHISG OIFIGEIL

Rural Economy and Connectivity Committee

Wednesday 27 June 2018

Session 5



The Scottish Parliament
Pàrlamaid na h-Alba

Wednesday 27 June 2018

CONTENTS

Col.

IMPLICATIONS OF THE UNITED KINGDOM'S DEPARTURE FROM THE EUROPEAN UNION (AGRICULTURE AND FISHERIES)	1
---	----------

RURAL ECONOMY AND CONNECTIVITY COMMITTEE
20th Meeting 2018, Session 5

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Gail Ross (Caithness, Sutherland and Ross) (SNP)

COMMITTEE MEMBERS

*Peter Chapman (North East Scotland) (Con)

*John Finnie (Highlands and Islands) (Green)

Kate Forbes (Skye, Lochaber and Badenoch) (SNP)

*Jamie Greene (West Scotland) (Con)

*Richard Lyle (Uddingston and Bellshill) (SNP)

*John Mason (Glasgow Shettleston) (SNP)

*Mike Rumbles (North East Scotland) (LD)

*Colin Smyth (South Scotland) (Lab)

*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Rt Hon Michael Gove MP (Secretary of State for Environment, Food and Rural Affairs)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Rural Economy and Connectivity Committee

Wednesday 27 June 2018

[The Convener opened the meeting at 10:04]

11:19

Meeting continued in public.

Implications of the United Kingdom's Departure from the European Union (Agriculture and Fisheries)

The Convener (Edward Mountain): Good morning, everyone, and welcome to the public part of the committee's 20th meeting in 2018. I remind everyone to make sure that their mobile phones are on silent. Kate Forbes has given her apologies this morning.

Agenda item 4 is on the implications for Scotland of the United Kingdom's departure from the European Union in relation to agriculture and fisheries. Before we go into questions, I ask members to declare their interests. I declare that I am a member of a farming partnership.

Peter Chapman (North East Scotland) (Con): I declare that I am a member of a farming partnership as well.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I have a small registered agricultural holding.

The Convener: Thank you. The committee will now take evidence from the Secretary of State for Environment, Food and Rural Affairs on agriculture, fisheries and issues following on from the UK's departure from the EU. The secretary of state is taking part in the meeting via a videoconference. I welcome him to the meeting, and I also welcome anyone who is watching on Facebook live.

Secretary of state, if you like to make a brief opening statement, that would be appreciated. We have allowed you four minutes. I am conscious that we have a lot of questions to get through and we are tight for time.

Rt Hon Michael Gove MP (Secretary of State for Environment, Food and Rural Affairs): That is very kind, convener. I just want to say that I am grateful for the opportunity to give evidence. I am sorry that I am not with you in person. I hope that I

will have the opportunity, if you would like me to come in person, to do so before March 2019. I put on the record how grateful I am to officials in the Scottish Government, and indeed to ministers as well, for the co-operation that we have had as we seek to make sure that Scotland's position as a high-quality food producer is safeguarded and indeed enhanced as we leave the European Union.

During the year that I have been in post, I have had the opportunity to visit Scotland on a number of occasions, most recently for the Royal Highland Show at Inverclyde last week, where once again I was impressed by the energy, the entrepreneurialism and the imagination of Scotland's primary food producers and others in the food and drink industry. We also recognise, as I know your committee recognises, that food production and respect for the environment and enhancement of our countryside go together. They are two limbs, and we can make progress only if we make sure that both are healthy.

The Convener: Thank you. The first question comes from John Mason.

John Mason (Glasgow Shettleston) (SNP): My question is on the common agricultural policy convergence review. We understand that, because Scotland's average payment per hectare was lower than the EU average, the UK received an extra £190 million for that. However, having expected £190 million to come to Scotland, we received £30 million, and the other £160 million went to England, Wales and Northern Ireland. We understand that there might have been a review of that. Can you update us at all about a review of that subject?

Michael Gove: Yes. I think there are several issues there. It is a very fair point and you sum up the history absolutely correctly. That money has been allocated and is in the budgets of the various different Governments—the UK Government and the various devolved Administrations. We have to respect the fact that decisions were made by the coalition Government that all the respective devolved Administrations and the UK Government have given effect to.

However, lying behind your question is, I think, a very important point that I freely acknowledge, which is that it is in the nature of the landscape and the environment in Scotland—and also in other parts of the United Kingdom—that the preponderance of less-favoured areas and the nature of upland farming impose particular challenges that require a specific level of support. I have said to the cabinet secretary, Fergus Ewing, that we need to look in the future at how we allocate funding across the United Kingdom in order to reflect that.

I recognise that there will be different views about what happened in the past and how the money was allocated that we will need to take into account as we look at funding in the future. My aim—and I have been grateful for the support that others have shown for this—is to ensure that, in the future, we allocate funding in a way that is sensitive to the specific needs of each part of the United Kingdom.

John Mason: I understood that Lord Bew had been appointed to conduct a review and that we were just waiting to hear when it would take place. Do I take it from your first answer that there will not be a review about past funding but only consideration for future funding?

Michael Gove: There will be a consideration of future funding in the light and in the context of the decisions that were taken on past funding. One thing that I cannot do—which none of us can do—is claw back money that has been spent in budgets that have already been allocated.

I know that there is a difference of opinion about the way in which the decision about that allocation was taken. Without prejudice to the positions that people took in the past, I have argued—and I think that this is the view of others, too—that we can respect each other's differences over the past, but we need to concentrate on making sure that we allocate money fairly in future. We can look at why decisions were made in the past and perhaps reflect on mistakes, errors or misjudgments that might have been made then and allow them to inform the future. We are not clawing money back; we are being aware that good arguments were made at the time in good faith and we will honour the integrity of the individuals who made those arguments and decisions at the time.

John Mason: I will press you on that once more. You said that it was possible that a mistake or error might have been made. In other parts of life, when mistakes and errors are made banks give refunds, for example, or compensation is given. Are you saying that you would not even consider reallocating that money, which in the grand scheme of things is quite small in UK terms?

Michael Gove: I absolutely take your point, but I cannot and should not seek to punish or penalise people elsewhere in the United Kingdom. You make a fair and legitimate point and it would be for the review to consider that argument alongside others.

Mike Rumbles (North East Scotland) (LD): Good morning, secretary of state. My question focuses on future funding for agriculture support in Scotland. As we all know, at the moment, 16 per cent of the funding that comes from the European Union to the UK comes to Scotland and it is ring

fenced; in other words, the Scottish Government cannot spend it on other things such as health or education. Is it your intention to ensure that we continue to receive that 16 per cent level of funding and that it will be ring fenced and protected so that it cannot be spent outwith the rural economy?

Michael Gove: Absolutely. In a nutshell—yes.

Mike Rumbles: That is fantastic news. I am delighted that you have confirmed that. How do you envisage that 16 per cent of funding being ring fenced? Will it be through the common framework that will be established across the UK, or will some leeway be given to the Scottish Government to spend some of the money on agricultural support but outwith the framework? Does it all have to be done within the framework?

Michael Gove: The framework is simply to ensure that we all understand that Scotland's food producers sell into the UK market—and of course abroad. When they sell into the UK market we do not want there to be any barriers to their being able to have consumers elsewhere in the UK buy their produce. That is the purpose of the framework. Within that, I want to continue to honour the devolution settlement so that should Fergus Ewing, or any future minister, wish to allocate that money—the 16 per cent that we have talked about—in a slightly different way, they should be free to do so.

I know that Fergus Ewing produced a paper last week that outlined proposals for future funding right up to 2024, in which there was a difference of emphasis—not a dramatic difference of emphasis—on how the money might be allocated in that elongated transition period. To my mind, that is absolutely the way that we should go; we should respect the devolution settlement. The money is there; how it is spent should be for the Scottish Government minister to decide.

Mike Rumbles: I just wanted to make sure that the money will be ring fenced for the rural economy, as far as you are concerned.

Michael Gove: That is my belief. That is the basis on which I would proceed. The only thing that I would add is that, so far, I have not had any indication from the Scottish Government that it would take any different view. I suspect that in future, particularly given Scotland's unique needs, or the unique needs of other parts of the United Kingdom, we could contribute as a proportion of overall agricultural spending an even bigger slice—possibly—to Scotland and Northern Ireland.

Mike Rumbles: That is very good news.

Michael Gove: I stress “possibly”—on the basis of the nature of the landscape, the unique challenges and some of the other factors.

I have not sensed that the Scottish Government takes a critical position on that, but I have to respect the autonomy of the devolution settlement. From Mr Rumbles's questions, I think that our positions are very similar. However, I do not want to tie the hands of this or any future Scottish Government beyond the commitments that we have just discussed.

11:30

The Convener: On ring fencing, people are concerned about the issue of pillar 1 and pillar 2 payments being paid in their entirety up until 2022. Will that money be guaranteed by the UK Government up until that stage?

Michael Gove: Our proposal is that all farm income will be guaranteed, in cash terms, right up until 2022. If agreements have been entered into that run beyond 2022, particularly those under pillar 2, we will honour those agreements. We have also said that it is our intention to maintain area-based payments for a number of years after 2022. There is overlap between the Scottish Government position and our position on that point. The Scottish Government has suggested that it would maintain such payments right up until 2024, but that it would cap some of them. The agricultural transition that we envisage would last until at least 2024, too. There would be some maintenance of area-based payments right up until that point.

The Convener: I will push you slightly further on that point. Would that include payments that relate to forestry?

Michael Gove: My understanding is that it would.

Peter Chapman: My questions are about the forthcoming UK agriculture and fisheries bills. You have said that the UK agriculture bill is essential to provide the legislative framework that the Department for Environment, Food and Rural Affairs requires to continue to make payments to farmers and attach conditions to them. What will provide the legislative framework to allow Scottish farmers to continue to receive their direct payments? Will the UK agriculture bill relate only to DEFRA powers? Does the Scottish Government need to bring forward its own legislation?

Michael Gove: Right up until we leave the European Union—if there is a withdrawal agreement and a transition agreement—we can carry on paying as things stand. Ideally, we want to bring forward our own agriculture bill in order to make provision specifically for England. We have shared some of the clauses of the bill with ministers and officials in the Scottish Government. I do not want to tie the hands of the Scottish Government, but I imagine that it will want to bring

forward its own agriculture bill alongside, or just after we have brought forward, our agriculture bill, in order to explain how direct payments and some of the criteria that are associated with them should be policed.

I noted that Fergus Ewing indicated that he would like to remove some of the onerous EU bureaucracy that is tied to some of the payments. Should he wish to do so, we might want to disapply that bureaucracy across the UK, or he might want to go further than we do. That is a matter for discussion. If Fergus Ewing wants to go further, that would only reinforce the appropriateness of there being a separate Scottish farming bill in the Scottish Parliament.

Peter Chapman: What will the UK fisheries bill contain? How does that bill relate to Scottish fishing interests?

Michael Gove: We hope to publish a white paper that will lay out some of those issues as soon as we can. We hope that a fisheries bill will then follow towards the end of this parliamentary session. The fisheries bill should provide for how the United Kingdom Government, on behalf of all the constituent parts of the UK, enters into negotiation with others, for example. We should also specify the way in which the devolved arrangements will work in the future. We do not want for a moment to disturb such arrangements; we want to ensure that Scotland can continue to use its currently devolved responsibilities to take advantage of the sea of opportunities that flow from being outside the European Union.

Peter Chapman: You said that the fisheries bill will be introduced towards the end of this year, but I think that the agriculture bill is nearer to being introduced.

Michael Gove: You are absolutely right. I have said that I would like the agriculture bill to be before the House of Commons before we rise for our summer recess at the end of July. That is my high hope. If we do not quite meet that deadline, September, when we return for our brief, pre-conference session, would be an appropriate time to do introduce it, so we are cracking the whip there. We also hope to publish the fisheries white paper before the house rises for its recess, and the fisheries bill would be introduced towards the end of this year or maybe just at the beginning of 2019.

Stewart Stevenson: The present arrangements for EU council meetings of one sort or another permit devolved Administration ministers to act as UK ministers and to sit in the chair. That does not happen very often, but the framework permits it. Do you envisage that, in the future, the same permissions will exist—provided ministers have an agreed UK line, of course—so that a devolved

minister might be the minister representing the UK in fisheries negotiations post our leaving the EU?

Michael Gove: I would have no problem with that at all.

The Convener: The next question comes from the deputy convener, Gail Ross.

Gail Ross (Caithness, Sutherland and Ross) (SNP): In Scotland, the soft fruit, salmon farming and fish processing sectors are particularly dependent on migrant workers. The UK Government has said that it will design a new immigration policy based on the premise of controlled migration. Can you tell the committee what is meant by controlled migration?

Michael Gove: It is important that people have confidence that an independent country such as the United Kingdom will be able to determine its migration policy in the interests of its economy, by ensuring that we have access to the workers that we need, especially the highly skilled workers that particular sectors need. It is also important that we can show—as all the constituent parts of the United Kingdom have always wanted to show—compassion towards people who may be fleeing persecution and who deserve the chance to make a new life for themselves in this country.

We know that there is a greater degree of support for migration when individual countries feel that it can be managed and that you do not have, for the sake of argument, the right of unrestricted free movement. It has certainly been observable that support for migration has risen since the vote to leave the European Union and that, across the United Kingdom, there is a greater degree of support for migration. I think that that is because people know that, outside the European Union, we can manage the numbers who come here, so they are more relaxed and comfortable about being generous when we think about the numbers who should.

Gail Ross: Some of those sectors have already seen a fall in people wanting to come and work here from the European Union. How will the UK Government address the issue of temporary and seasonal labour, permanent labour, and skilled and unskilled labour for the farming and food production industries, knowing that we rely on it so heavily?

Michael Gove: You are absolutely right. We have relied on labour from abroad. There are several points to bear in mind. The first is that, over time, the source of labour from different parts of the European Union in our agriculture and food production sectors has changed. A wee while ago, it tended to be people from Poland and the Baltic states. Now, increasingly, it is people from Romania and Bulgaria. That reflects the relative stages of economic development of those

countries. As Romania and Bulgaria become more successful economically, they will naturally want to have more of their workforce working in those countries and not going abroad.

That has been the experience not just of the UK but of other countries in the west of Europe that have seen numbers of people from eastern Europe drop in particular sectors, so we all have to look further afield. It is an issue not just for the UK but for other countries in western Europe. That means that, in the future, we will need to think about how workers from, say, the Ukraine, or from other countries, who want to come here can do so in an appropriate fashion.

Having visited soft fruit growers in Angus and elsewhere, I am well aware that seasonal workers are critical, for the moment, in ensuring that growers can continue to run effective businesses. One of the things that we are considering is what appropriate means there could be in the future for facilitating seasonal workers, in order to ensure that those businesses work.

There is one other thing that I would say. We all need the expertise that is provided by EU citizens such as the official veterinarians who make sure that our abattoirs and meat production maintain the very high standards on which our reputations rest. We want to make sure that we can continue to have access to that high-quality labour.

All those things help to influence our approach to migration.

Gail Ross: Do you agree that it is time that Scotland had control over its own immigration policy, so that we can design a system that suits our needs?

Michael Gove: It is important that all the countries of the UK work together to ensure that migration policy fits the needs of all. I know that, in the past, Jack McConnell, when he was First Minister, had an adjustment to migration policy—I think with particular respect to graduates.

I think that the most important thing that we should do is work collectively and collaboratively as the four countries of the United Kingdom to make sure that migration policy works in all our interests, because our four economies are so highly integrated. The challenges that face soft fruit growers in Angus are very similar to the challenges that face soft fruit growers in Surrey or in Kent, and by working together we can make sure that we continue to be an attractive place in which to invest and work.

Stewart Stevenson: Mr Gove, you will be aware that about 70 per cent of the workers in fish processing in the north-east of Scotland are non-UK citizens. Indeed, at Peterhead academy, 28 languages are spoken—so we are not talking

merely about EU citizens. Will we be able to protect access to labour, not simply from the EU but from across the world? As we change migration policy, there are clear risks to a very valuable north-east industry.

Another point is that about 50 per cent of the people who come to process fish—and this is my estimate; you should not rely on it—appear to want to settle, rather than simply visit.

Michael Gove: I can understand why anyone who has visited the north-east of Scotland would want to settle there. It is the most beautiful part of the United Kingdom. Once someone is there, why would they ever want to leave? That would be my view.

More broadly, we absolutely need to make sure that the processing and catching sectors have access to the labour that they need. You are quite right and I am well aware that that labour does not come just from the EU 27. That is why we need a migration policy that is open to skilled workers, who can make a fantastic contribution to our economy, from across the world.

Colin Smyth (South Scotland) (Lab): Our current EU membership allows participation in three EU protected food name schemes, which gives protection against imitations throughout the EU. What exactly are your proposals with regard to EU protected food name schemes after the UK leaves the EU? The issue remains unresolved.

Michael Gove: We want to make sure that geographical indications are recognised as we leave the European Union, and so does the EU. We have a number of geographical indications, which really matter to us, and from Orkney to Arbroath it is important that the reputation of Scottish—and, indeed, UK—produce is protected and enhanced as we leave the EU. The EU, too, has many protected geographical indications that it would like to see protected and preserved as we leave. That is part of the on-going negotiations between ourselves and the EU, to make sure that our respective interests are protected.

Colin Smyth: The issue is unresolved and is part of the negotiations, as you say. When will producers of products such as Scotch whisky have certainty about their protection? When will the protection be enshrined in UK law?

Michael Gove: At the moment, there is a debate about whether geographical indications should be part of the withdrawal agreement—which, as you know, is the formal, technical, legal text that is required under article 50 to give effect to the UK leaving the EU—or whether they should be part of the future economic partnership. The UK Government is anxious to be as clear as possible as early as possible, but in any negotiation with the EU we have to respect the

EU's autonomy and its desire to make sure that its interests are protected and preserved.

As I said, my judgment is that, because EU nations have many more geographical indications than the UK, the EU will want to have those guarantees and safeguards. That is in the EU's interests, much as it is in its interests to guarantee tariff-free access for agri-food products across the UK-EU border.

Scotch whisky and Scottish salmon have been huge success stories. The reason why they have been success stories is not just the important geographical indication and the protected status that it brings; the hugely successful marketing of individual brands and companies, which have acquired a worldwide reputation for amazing high-quality produce, has also been instrumental in generating success.

11:45

Colin Smyth: Do you accept that, if those current protections are not in place for something such as Scotch whisky, as soon as somebody can imitate it, they will certainly do so?

Michael Gove: It is all-important that we get the best protection possible for Scotch whisky and for other brands. I want to maintain all the protections that we have at the moment and to provide a strong platform for those brands to meet the growing demand. My department, the Department for International Trade and the Scottish Government are 100 per cent aligned on that.

Jamie Greene (West Scotland) (Con): One of the areas that have been most discussed in this Parliament in recent months, and on which members have been most vocal, is common UK frameworks and the devolution of powers after the transition period. Will you outline some of the areas where you think there is a need for common UK frameworks in relation to agricultural regulation and policy and say why you think those areas are important?

Michael Gove: Animal and plant health is one area. We want to provide consumers throughout the United Kingdom with a guarantee that the high standards to which we are all committed will be maintained across the UK. I am always open to an argument from any devolved Administration about a way in which it might want to innovate or do something better. Part of the strength of devolution is that individual Governments and Parliaments can often generate ideas about progress that the rest of us will want to follow. However, there are some areas in which frameworks provide everyone with reassurance and a safety net that we would all buy into. As I say, animal and plant health is the number 1 area in which I imagine we

all agree that we can all benefit from an effective UK-wide framework.

Jamie Greene: Let us move on from common frameworks to where each Government is going on policy and subsidy strategy. A complaint about the common agricultural policy is that it has not always been fair or beneficial to UK and Scottish farmers and that the subsidy structure is overly complicated in many respects. Is it likely that we will have UK-wide policies for agricultural subsidies or is it your intention to have common frameworks for regulation and trade but devolved responsibilities for subsidies and funding? Where are we heading on that, post-transition?

Michael Gove: Your point is absolutely correct. We need to have those frameworks. I mentioned animal and plant health because having a framework for that would make it much easier for us to secure new opportunities to trade abroad and for our producers to have improved access to markets abroad. You are also right that there are problems with the existing common agricultural policy subsidy approach. The constituent nations of the United Kingdom can all do better. I briefly mentioned Fergus Ewing's proposals for life outside the European Union, which envisage the delivery of support to the farming sector without some of the bureaucracy that the EU currently imposes. That is absolutely the right way to go.

Jamie Greene: I have a brief supplementary question to ask before we move on to other themes. Whose responsibility is it to develop agriculture policy in the long term, after we leave the EU rather than during transition? Is it the Scottish Government's responsibility, the UK Government's or a bit of both? There has been a lot of discussion of that in the Holyrood chamber. For example, the cabinet secretary here says that he cannot really develop policy until he has guarantees on long-term funding. There is still a lot of discussion about where the money is coming from and whose job it is to develop agriculture policy. What are your views on that?

Michael Gove: My view is that it is a devolved matter, and it is for the cabinet secretary and the Scottish Government to do that. We have provided a plan and an outline for what we want to do in England, and we have provided a degree of guarantee on funding, which is more detailed than that which any other country in the EU has.

The common agricultural policy in its current form ends in 2020 and, although there is active discussion about what might replace it, folk do not know what that is going to be. Our cash commitment goes up to 2022, and the fact that we have talked about an agricultural transition and direct payments continuing thereafter gives you a clearer guide to the backdrop here in the UK than you will find anywhere else in Europe. However,

you are absolutely right—Fergus Ewing has laid out what might happen up to 2024 and people are saying, "That is great, but what comes after that?"

We have outlined an approach that we believe will help to make farming more productive in England and that will safeguard the environment. I sense that people in Scotland want the Scottish Government to be a little clearer about the direction of travel post-2024.

Stewart Stevenson: My first question is a fairly brief one that relates to the European maritime and fisheries fund, which has been valuable to many of Scotland's coastal communities. Can you tell us a little bit about the shared prosperity fund, which will replace it, and how the money will be distributed?

Michael Gove: About a fortnight ago, we had a meeting of Government ministers to discuss the shared prosperity fund. The purpose of the shared prosperity fund is to support those parts of the UK that most need Government support in order to improve productivity and to make sure that economic development is fairly spread. As we both know, two of the areas in which we need to do more are rural areas and coastal communities, because of decisions that have been taken in the past.

At that meeting, I made the points that rural development programmes need to be funded effectively through our shared prosperity fund, alongside anything that we might do in terms of agricultural support, and that our replacement for the EMFF must result in proper investment in coastal communities, not least because—as research that the Scottish Government itself has commissioned has shown—when we take back control of our territorial waters, we have the potential to land hugely more fish than we land at the moment. If we are going to take advantage of that sea of opportunity, we must have investment in our harbours and in the other facilities that are required.

Stewart Stevenson: You have just used the Scottish Fishermen's Federation's phrase, "sea of opportunity". I want to ask about that, because it is clear that, in the fishermen's minds, the UK and Scotland should assume responsibility over who fishes and how they fish in our waters out to 200 miles.

I know that UK ministers have discussed the matter with, for example, the Danish Government and the Dutch Government. If the Danish part of my family asked the Danish minister what the minister took to be the future commitments in relation to their rights to fish in our waters, what do you think the Danish minister should say?

Michael Gove: I hesitate to offer advice to a minister in the Scottish Government, so I would

certainly pause before offering advice to a minister in the Danish Government. Nevertheless, your question is a very fair one. I would say two things. As we leave, we will become an independent coastal state—that is a matter of law. That means that we will be able to negotiate access to our own waters and decide who comes here.

However, I think that everyone acknowledges that Scottish fishermen will want to fish in other countries' waters, so we will allow fishermen from other nations to fish here, but on our terms. We will negotiate access to our waters every year, as independent coastal states such as Norway, Iceland and the Faroes do. Other countries well understand how that procedure operates.

Stewart Stevenson: You said that you would negotiate "on our terms" and that you would do so "every year". Am I to take it that no commitment to allow foreign vessels to fish in our waters will last for more than a single year?

Michael Gove: Again, that is for negotiation. As a country, we might want to come to an arrangement with others about the nature and scale of access. It would be our decision, but it is in the nature of any negotiation for us to make those decisions on the basis of what is in our sovereign interests, the interests of our coastal communities and the interests of our catching fleet.

Stewart Stevenson: Now, I—

The Convener: I want to bring in Peter Chapman and then I will come back to you, Stewart.

Stewart Stevenson: I would like to finish this little bit, because we might find it useful.

The Convener: I will bring in Peter and then come back to you.

Stewart Stevenson: Fine.

Peter Chapman: Mr Gove, you know that the implementation period will mean that we are in the common fisheries policy until the end of December 2020. It is important for our fishermen to be involved in the negotiations on quotas at the November and December quota discussions, otherwise we will be shut out and not have any input into discussions about our quota allocation for another full year. Can you guarantee that our fishermen will be involved in that negotiation in November or December 2020?

Michael Gove: Yes. We want to hear the voices of the catching community and the processing industry and ensure that they are involved in the negotiations. There will be a December council meeting in 2018, which will broadly use the rules as they were used previously. However, in the December 2020 council, we will be negotiating

from a different position to that from which we have been negotiating. We want to be ready for that and ready for the opportunities that will come from our being fully outside the CFP from 1 January 2021.

Stewart Stevenson: I just want to close off my point before I move to another topic. At the moment, approximately 60 per cent of UK fish are caught by other nations. In Norway, the figure is 16 per cent and in Iceland it is about 10 per cent, but Iceland and Norway get something for that whereas it is not clear that the UK—and Scotland, in particular—gets anything for that 60 per cent. Are we quite clear that, when we negotiate trade across borders, as we will have to do in the future and as we do now, a benefit will derive from letting foreign vessels come into our economic area out to 200 miles?

Michael Gove: Yes, absolutely. You put the case very well.

The Convener: I am sorry, Stewart. I will come back to you at the very end if we have time, but I would like to bring in one or two other members.

Richard Lyle (Uddingston and Bellshill) (SNP): Let us turn to the subject of forestry. The UK is now the second largest net importer of forestry products in the world—it is second only to China. The UK imports 80 per cent of the wood that it consumes, the vast majority of which is soft wood that can be grown very well in the UK. Post-Brexit, will the UK Government try to reduce our reliance on imported wood as part of its new international trade strategy?

Michael Gove: Yes, absolutely. The UK Government is committed to planting more trees and supporting the forestry sector. You are right to say that, as countries go, the UK as a whole is deforested. The amount of forestry that we have and the strength of our forestry sector are less than they should be. There are some reasons why, under the operation of the CAP, we have not properly incentivised or supported forestry as we should have done.

I commend the Scottish Government and Fergus Ewing for the energetic way in which they have championed forestry. The most recent conversation that I had with Fergus Ewing was last week, and he made a generous offer to have the Scottish Government help the UK to make sure that we have an increased supply of domestic timber. I will want to take that forward.

The premise of your question is fair, and the outcome that you want to see is one that we want to achieve.

Richard Lyle: In your 25-year environmental plan, there is a commitment to plant 180,000 hectares of new woodland by the end of 2042.

That means an average annual planting target of 7,500 hectares, which is half the Scottish Government's target of 15,000 hectares each year by the middle of the next decade. Do you think that the Scottish target is too ambitious, or is the English target not ambitious enough?

12:00

Michael Gove: Those targets reflect the different geography of our two countries.

The key lesson that many of us have learned from forestry expansion in the past is that we need to have the right trees in the right locations. I will not go into the detail of the problems that we had with planting in the flow country in the past, for example, but we need to plant appropriately. Scotland has both the geography and the willingness to meet the ambitious targets in the 25-year environment plan. That is a living document, so we will revisit it in the future to see whether we should be more ambitious. However, the nature of the specific geography and constraints in England means that there are sites and locations that would not be suitable for forestry, and we need to reflect that in our plan.

Richard Lyle: Thank you. I will go back to farming subsidies. You said in answer to Jamie Greene that you have already given the Scottish Government the information with regard to farming subsidies funding post-Brexit. When did you do that?

Michael Gove: Yes; we have done that in correspondence on a number of occasions and in meetings that I have had with not only the Scottish Government but other devolved Administrations. However, of course, it is the central desire—

Richard Lyle: I am sorry, Mr Gove, but was that meeting in the past couple of months, six months ago or last week?

Michael Gove: I can share the correspondence. We had a brief conversation last week with Fergus Ewing at the Royal Highland Show. Before that, we have had regular meetings. We last met the group of devolved Administrations more than six weeks ago in Edinburgh, when we had a discussion about future financing in which a number of questions were raised and addressed, and other questions were subsequently addressed in correspondence between me, Fergus Ewing and Lesley Griffiths.

Richard Lyle: So, does the Scottish Government have the numbers regarding the millions of pounds that you will ensure will be paid up post-Brexit.

Michael Gove: As I mentioned earlier, we have given more guarantees about the future of agricultural funding than it is possible for any other

European country to give. We have said that there will be guaranteed funding for agriculture in cash terms at the same level right up until 2022. As I mentioned earlier in response to Jamie Greene's question, the EU's current common agricultural policy funding is guaranteed only until 2020, and the EU is debating at the moment what might happen thereafter. One of the EU's challenges is that now that the UK, as a net contributor, is leaving the EU, it will have to try to work out how it will ensure that its common agricultural policy works with simply less pennies to go around.

Richard Lyle: Thank you.

The Convener: The next question is from John Finnie.

John Finnie (Highlands and Islands) (Green): Good afternoon, secretary of state.

Michael Gove: Good afternoon.

John Finnie: This evidence session is about the implications for Scotland of the UK's departure from the EU, which peppers a lot of the Parliament's work, as you will understand. You mentioned, if I heard you correctly, that you had been in Scotland several times and that you hope to be here again before March 2019. The Scottish Parliament is a unicameral set-up, so the parliamentary committees' role in scrutiny is vital. Do you want to take the opportunity to apologise to the committee for frustrating our efforts to scrutinise the Scottish Government through not making yourself available until the day before Parliament goes into recess.

Michael Gove: Well, I am sorry—

The Convener: I am sorry, secretary of state. I am very happy for you to answer that question. A point has been made by Mr Finnie. If you want to answer the question, I am delighted for you to do so.

Michael Gove: Thank you. I apologise for any discourtesy. I have tried to make myself available to Scottish ministers, I am now making myself available for questioning and have made myself available to Scotland's food producers and to Scottish citizens on a number of occasions. We do not keep a league table of the number of times that UK secretaries of state have been in the countries of devolved Administrations, but I think—I am happy to be corrected—that I have visited Scotland in the past year more often than any other UK cabinet minister has.

John Finnie: Thank you. That is noted. Of course, the question was about attending a meeting of this committee. There have been several occasions when such meetings have been scheduled, then cancelled. I believe that our job to scrutinise the Scottish Government has been

hindered by that. However, perhaps I can move on to a number of other questions.

This question is about the consultation on live animal exports, which the UK will require to pick up on. You have issued a call for evidence on controlling live exports for slaughter and improving animal welfare during transport. As I understand it, export for breeding is invariably of high-value stock that is well looked after, but the issue of slaughter is important. I want to ask you about the category of export for processing, which is the fattening of stock for eventual slaughter. There is a concern that there is a potential loophole in the consultation, which is that animals that are not immediately slaughtered could still be subject to export. Will you comment on that?

Michael Gove: The call for evidence is precisely that. It is intended to ensure that the arguments that you and others make are properly reflected. Last Thursday, when I was talking to representatives of NFU Scotland, they made the point about the transport of animals from Orkney and Shetland to Aberdeen for precisely the reasons to which you allude. We want to make sure that any framework or other approach that we have in the future respects the needs of Orkney and Shetland farmers and the fact that their transporting animals from the islands to the mainland is integral to their business model.

John Finnie: As a representative of the Highlands and Islands, I know that the highest standards apply there.

Michael Gove: Absolutely.

John Finnie: There is a concern about the word "processing". Are you aware, for instance, that each year thousands of calves leave Scotland for processing and might well be slaughtered within days of arriving at their destination? The destinations are often Spain or, as has been suggested to me, north Africa, and the export route that is taken is from Scotland to Northern Ireland, then through the Republic of Ireland, from where they are shipped.

Michael Gove: I hope that you can share that evidence, and that those who shared their evidence with you can share it with us, so that we can consider it as we think about what the right regulatory approach should be. As you rightly point out, we are proud of the high standards of animal welfare that we have in the United Kingdom; part of the purpose of the call for evidence is to make sure that, as we leave the European Union, we uphold those high standards.

John Finnie: That is very reassuring. Can I ask you about the level of co-operation with the Scottish Government on that? I recently asked questions of the cabinet secretary, Fergus Ewing, who made comments about interisland and island-

to-mainland movement of animals. However, such movements are not the concern—it is the longer journeys about which there is concern.

Michael Gove: I understand. Fergus Ewing is energetic in making his case to us and we appreciate the broader animal welfare concerns that John Finnie has raised. I believe that the Scottish Government is sensitive to them, too.

John Finnie: Has an assessment been made on the impact of a full ban on the agricultural sector?

Michael Gove: We are in the process of gathering evidence in order to make such an assessment.

The Convener: We will now have some more general questions.

Jamie Greene: I will touch on trade and its relationship with agriculture in the UK. One of the opportunities of leaving the EU is the UK's ability to strike new and interesting deals with third-party countries in other parts of the world. How can we strike the important balance between protecting our domestic agricultural industries and the need to make new deals, because there is fear among some people in the farming community about the market being flooded with new products from countries with which we make those trade deals? When your Cabinet colleagues are striking trade deals, how will your voice be heard to ensure that the interests of UK and Scottish farmers are at the forefront of any deals that are made?

Michael Gove: There is unity across the UK Government that, as we strike new trade deals, we must not undermine the high animal welfare or environmental standards that we have in the UK. Produce, whether it is Scottish or from elsewhere in the UK, relies on a quality hallmark to ensure that it commands a premium price. We will not erode those standards, and my colleagues—from Liam Fox to the Chancellor of the Exchequer, and from David Davis to the Prime Minister—have all reinforced that message whenever there has been an opportunity to do so.

It is also the case that increased export access can help domestic producers. I will give two examples, and I will try to be relatively brief. We know that there is currently declining demand for sheep meat in the UK. That is a shame, and I want to do everything that I can to encourage people to enjoy and appreciate Scottish lamb and sheep meat more generally, but that decline is a fact at the moment. However, there are in the middle east and elsewhere growing markets for UK sheep meat, which I hope we can access because that will ensure that upland farmers have a secure future.

Pig farming is a big concern in the north-east. We know that there are parts of the animal that are not necessarily the consumer's favourite here, but which are very attractive in some export markets. If we manage to get more exports into those markets, that will mean that it will be possible for half of the animal to be sold there and the other half of it to be sold and consumed here, which will give us a better way of satisfying domestic demand here, as well as earning some export dollars. Such trade will help us to ensure that our domestic producers are in a stronger position.

John Mason: I want to have another go at the issue of what will happen after 2022, which Mr Lyle and Mr Greene asked you about. The committee is frustrated, because Mr Ewing has told us that he cannot plan ahead beyond 2022, whereas you have told us that you are open to plans.

Under the EU, Scotland has complete freedom to do what it wants under the EU rules, and Scotland's arrangements can be different from England's. How much freedom will Scotland have to do what it wants in the future? For example, if we want to blur the line between agriculture and forestry, will we have complete freedom to do that, or might the UK Government intervene on that?

Michael Gove: My view is that we do not want to interfere or take a single power from, or abrogate the freedom of movement of, the Scottish Government in any way. No one has put to me any good reason why we should, and I have no appetite or desire to do so. My view is that, as we leave the EU, the Scottish Parliament and the Scottish Government will acquire more powers, which is a good thing.

Mike Rumbles: I will follow up on your answers to John Finnie on your giving evidence to the committee. I preface my question by saying that I think that the answers that you gave to my earlier questions were excellent and very helpful.

You might not be aware of this, but 18 months ago a motion that requested that Fergus Ewing start designing a bespoke system of agricultural support in Scotland was agreed to unanimously in the Scottish Parliament. Every time Fergus Ewing has appeared before the committee or made a statement in Parliament, he has told us that he cannot possibly proceed to design such a system because he has not received from you detail of the financial support that will be available to him. He has said that he cannot possibly produce a plan without knowing what financial support will be available. You are telling us that you told Mr Ewing some time ago that he had all the information that he needed to design such a system.

The point that I am trying to make—John Finnie made it a little more bluntly—is that it would have been immensely helpful to us in our role in holding the Scottish Government to account if you had been able to give the committee that evidence at an earlier point. Taking evidence from you helps us to do our job of holding the Scottish Government to account. This is the first time you have appeared before the committee: it would be immensely helpful if you could keep the dialogue going by making more regular appearances before us.

Michael Gove: Absolutely. I take your point, and I would be delighted to do that.

The Convener: I am sure that we would welcome the opportunity to question you more.

I am afraid that we have time for only one more question, which will be asked by John Finnie.

John Finnie: I refer to "Health and Harmony: the future for food, farming and the environment in a Green Brexit", which was published in February 2018 and, in particular, the passage on devolved powers in paragraph 7. It is a fairly lengthy paragraph, so I will just read out the final sentence, which states:

"It is the government's expectation that the process will lead to an increase in decision-making powers for each of the devolved administrations."

What additional decision-making powers were you referring to?

Michael Gove: I hope that the Scottish Government will now have the opportunity—this touches on what Mike Rumbles was talking about—to spell out in greater detail how it might design schemes to support Scottish farmers in order to improve food production and to safeguard the environment. In my view, outside the EU, we have the opportunity to design different methods of support. As we discussed earlier, the Scottish Parliament will have the money and it will be for the Scottish Parliament, free of some of the constraints that the EU has imposed, to decide how that money should be spent to support the rural economy, food producers and environmental interests.

I hope that, within the UK framework, which safeguards animal and plant health and other environmental standards, there will be scope for creativity. It might well be the case that, as with Norway and Switzerland, it is possible outside the EU to be committed to high standards and to have an improved rural environment and a very healthy export-led food production sector.

John Finnie: Thank you very much indeed.

The Convener: Thank you, secretary of state. I am conscious that we have come to the end of our

time. We have found the videoconference set-up very useful, but we hope that we will be able to encourage you to come to Scotland to appear before the committee in person, next time. That would be extremely helpful. Thank you for taking the time to give evidence to us. I also thank all the viewers on Facebook Live for watching the session.

That concludes our business.

Meeting closed at 12:16.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba