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Convenor to the Rural Economy and Connectivity Committee
The Scottish Parliament
Edinburgh
EH99 1SP

4 April 2017

Dear Mr Mountain,

COMMON AGRICULTURAL POLICY: LFASS Loans Scheme

I am committed to updating the Committee with any CAP developments and I can confirm today that we will introduce a loan scheme for the Less Favoured Area Support Scheme (LFASS).

I understand how important LFASS payments are to farmers and crofters in our most remote and marginalised areas. Having considered how best to address the situation with regards to 2016 payments, and importantly heard the views of the NFUS and other stakeholder organisations, I can confirm that we are making LFASS loans available again this year.

Letters will be issued before the end of the month to farmers inviting them to apply. This will deliver support of around £50 million to some of our most vulnerable farmers and crofters, providing much needed financial security in the coming months. We will offer a maximum loan of 90% of a business' entitlement.

We will shortly announce the LFASS Loans Scheme to our customers and stakeholders by direct communication, emails, use of the media and social media.

I have also sent a copy of this letter to the Convener of the PAPLS Committee, Jenny Marra MSP.

Yours sincerely

A handwritten signature in black ink that reads "Fergus Ewing". The signature is written in a cursive style with large, flowing loops for the letters 'F' and 'E'.

FERGUS EWING