

**Scottish Government Consultation
on future Common Agriculture Policy
(CAP) Direct Payments in Scotland
from 2015**



**Scottish Crofting Federation's
Response**

Background

The purpose of the consultation on the future of CAP direct payments (Pillar one) is to help the Scottish Government decide on how the direct payments are implemented from the 1st of January 2015. It covers all of the sections which will make up the future direct payments and will look at the options which are available to the Scottish Government when implementing these new rules.

There are four main sections to the consultation:

- Basic Payments
- Environmental Measures
- Other Direct Payments
- The Overall Package

"Crofting is under threat, probably as never before" Patrick Krause Scottish Crofting Federation

Introduction

This document is the Scottish Crofting Federation's full response to the above consultation.

Section 1 - The Basic Payment (BP)

Question 1: The Scottish Government (SG) proposes that Payment Regions should be based on historical land type designations. Do you agree?

Answer: a) Yes

Question 2: The SG proposes that having two payment regions will allow sufficient account to be taken as regards to the difference between lands of differing quality without causing undue complexity. Do you agree?

Answer: a) Yes

Question 3: The SG proposes that region 1 should be arable, temporary and permanent grassland and Region two should be Rough Grazing. Do you agree?

Answer: a) Yes

Question 4: Please rank your top 3 options for future payment regions in order of preference (1 high priority)

Answer: 1 – a) two regions based on land type;
2 – e) single payment region;

Question 5: The SG believes that the final rate from rough grazings (including the greening payment) should be between 20-25 Euros.

Answer: c) support a higher rate since any rate under this level would under compensate smaller active mixed farms

Question 6: How quickly should we move to average payment rates in a region?

Answer: a) Flat rate from day 1 (2015)

Question 7: How would you prioritise the factors to be taken into account in deciding how to move to an area based system? (1=first priority)

Answer:

1 – d) Avoid undue delays to those seeking fairer payments

2 – a) Simplicity

3 – b) Clear and accurate forecasts of future payments to each farmer

Question 8: The SG proposes that the value of future Basic Payments be calculated on the value of SFP entitlements held by farmers in 2014 rather than on the amount of SFP paid to a farmer in 2014. Do you agree?

Answer: c) No view

Question 9: The SG proposes to keep the minimum threshold at the present level, so that control of at least 3 ha of eligible land would be needed to claim future direct payments. DO you agree?

Answer: b) Disagree because the minimum threshold should be 1 ha

Question 10: The SG is not minded to add any further business types to the negative list. Do you agree?

Answer: a) Yes

Question 11: Do you agree with the above mentioned stocking density?

Answer: a) Agree that a stocking density rate of around 0.05LU/ha (with derogations) should be required under the active farmer requirement

Question 12: If a minimum stocking density is not used, should we instead require a demonstration of activity through plans to ensure a structured herd ect.

Answer: a) Yes

Question 13: What should we be aiming for when considering an appropriate minimum activity requirement? Rank 1- High

Answer: 1 - e) Appropriate procedures for environmental sensitive land;
2 - a) Stop slipper farming even if this imposes burdens on active farmers;
3 - d) Workable and easy to understand rules for farmers;

Question 14: Comment Box:

Answer: Whilst we have agreed with 0.05 as a minimum stocking rate demonstrating activity there must be a mechanism for those stocking at lower rates on environmentally fragile land to claim on a case by case basis

Question 15: The SG does not propose to use the reduction coefficient that can be applied when payments entitlements are allocated. Do you agree?

Answer: No view

Question 16: The SG does not propose to use the reduction coefficient that can be applied when payments entitlements are activated. Do you agree?

Answer: c) No view

Question 17: Which of the following options for digressive reductions do you prefer?

Answer: d) Apply the mandatory 5% digressivity plus additional reduction of 25% when a business' Basic Payments are greater than 300,000 Euros plus a total cap on Basic Payments of 500,000 Euros

Question 18: The SG proposes to use the windfall provision in cases where termination or ending of a lease leads to a windfall gain for the farmer concerned. Do you agree?

Answer: c) No view

Question 19: The SG thinks that Scotland should take full advantage of a siphon on sales of entitlements without land. Do you agree?

Answer: c) No view

Section 2 - Greening and cross-compliance

Question 20: The SG thinks that the greening payments should be regionalised and paid on an area basis. Do you agree?

Answer: b) Disagree because should pay Greening payment as a flat rate across Scotland

Question 21: Do you think that the SG should use the option to designate further environmentally sensitive grassland areas out with Natural sites?

Answer: b) No, because other regulations already protect these areas

Question 22: Do you think that the SG should continue to monitor the area of permanent grass at a national level?

Answer: a) Yes

Question 24: Do you think we should consider the option to implement the EFA requirement at regional level?

Answer: f) No view

Question 25: Do you think we should consider the option to allow groups of farmers to implement the EFA requirement collectively?

Answer: f) No view

Question 26: We would like your views on whether optional weighting and conversion factors should be used when calculating the area of EFA on holdings?

Answer: g) No view

Question 27: Should we consider using the equivalence option in Scotland and if so how?

Answer: a) Farmers should be required to meet only basic Greening requirements

Question 28: If adopted, should an equivalent certification scheme include:

Answer: a) Through the standard Greening crop diversification requirement

Question 30: As far as the Greening permanent grassland requirement is concerned how do you think it should be implemented in Scotland?

Answer: a) Through the standard Greening Permanent grassland measure

Question 34: If we had an equivalent EFA requirement which areas do you think should be able to count towards this requirement?

Answer: h) Conversion of arable land into extensively managed permanent grassland; Yes.

Question 35: The Scottish Government thinks that GAEC 1 – the requirement to establish buffer strips along water courses – should include a ban on cultivation within 2m of surface water or wetland? Which of the following options do you prefer? Tick one.

Answer: a) A ban on cultivation and fertiliser and pesticide use within 2m of a water courses

Question 36: The Scottish Government does not intend to introduce new requirements into GAECs 2, 3, 4 and 5. Do you agree?

Answer: a) Yes

Question 39: In relation to dry stone walls, which of the following options for GAEC 7 do you prefer? Tick one

Answer: c) No ban on cultivation adjacent to a dry stone wall

Question 40: The Scottish Government does not intend to use the option to allow GAEC 7 to require farmers to tackle the spread of invasive species (click all that are relevant).

Answer: a) Agree GAEC 7 should not be expanded to include invasive species; No

b) Disagree, should extend GAEC 7 to include *Rhododendron ponticum*; Yes

c) Disagree, should extend GAEC 7 to include giant hogweed (*Heracleum mantegazzianum*); Yes

d) Disagree, should extend GAEC 7 to include Japanese knotweed (*Fallopia japonica*); Yes

e) Disagree, should extend GAEC 7 to include Himalayan balsam (*Impatiens glandulifera*); Yes

Question 41: Comment box

Answer: GEAC needs to be meaningful.

Section 3 - Other Direct Payments

Question 42: What level of VCS should go to the beef scheme?

Answer: e) 8%

Question 43: Do you agree with the outlined rates?

Answer: b) No should increase front loading so that small produces (1-10 calves) benefit more

Question 44: Should any VCS allow payments on beef calves from dairy cows with 50%+ beef genetics?

Answer: c) No because it would complicate the market and devalue the 'Scotch beef' brand

Question 45: Do you agree that we should not consider coupled support for lambs until there is a statutory database in place that identifies individual animals?

Answer: a) No

Question 46: If a coupled support scheme for sheep was to be introduced what proportion of VCS funding should be used?

Answer: e) Use all 8% for beef

Question 47: Should we explore with the other UK regions whether it could be possible to use more than 8% of the Scottish ceiling for VCS?

Answer: a) Yes

Question 48: Should Scotland use this option?

Answer: a) Yes

Question 49: The Scottish Government proposes to pay Young Farmer top ups on the first 54 ha using Option (1) (top up payments calculated at 25% of average entitlement value). Do you agree?

Answer: a) Yes

Question 50: The SG does not propose to introduce this scheme. Do you agree?

Answer: a) Yes

Question 51: The Scottish Government does not propose to use the Pillar 1 ANC option and will continue to provide support for Less Favoured Areas under Pillar 2. Do you agree?

Answer: b) No

Question 52: In Year 1, the Scottish Government proposes to use the National Reserve to help existing new entrants from Day 1. Do you agree?

Answer: a) Yes

Question 53: The Scottish Government intends to ensure that future new entrants are able to access the National Reserve for entitlements and may use the option to perform further top slices to ensure there are adequate funds for this purpose. Do you agree?

Answer: a) Yes

Question 54: Please score the following aspects of the proposed package for Basic Payments (1= Strong agreement that feature should be in final package, 2 = Agreement, 3 = Weak agreement and 4 = Disagree that feature should be in final package).

Answer:

1 - a) Two Payment Regions based on land type (Region 1 = arable (including temporary grass) and permanent grass and Region 2 = rough grazing;

4 - b) Regional budgets set to give a Basic Payment plus Greening payment combined rate in rough grazing Region 2 of €20-25/ha (any VCS would be in addition to this) and the combined Basic Payment and Greening rate in arable/permanent grassland Region 1 of €200-250/ha;

4 - c) Area based payments phased in by 2019 using standard internal convergence mechanism;

2 - d) Minimum activity requirement of around 0.05LU/ha with derogations;

1 - e) National reserve used for force majeure and new entrants;

2 - f) 8% VCS to 75+% beef sector;

3 - g) Young Farmer Payments made on basis of 25% of average entitlement value;

2 - h) No Small Farmer Scheme;

1 - i) No Pillar 1 ANC payments;

Question 55: Please score the following possible aspects of the future package (1= Strong agreement that feature should be in final package, 2 = Agreement, 3 = Weak agreement and 4= Disagree that feature should be in final package).

Answer:

1 - a) Regionalised redistributive payments across Scotland;

4 - b) Greening comprising Europe's 3 standard Greening measures;

4 - c) Greening comprising equivalence options;

Question 56: Final comment box for comments on proposed package as a whole (500 words maximum).

Answer: Q45 & Q46: Since the consultation was written, the opportunity for using more than 8% of the Scottish ceiling for VCS has more of a possibility. This makes responding to the next two questions difficult. The SCF believe that IF more than 8% of the Scottish ceiling used we would like to see the additional support shared between the beef and hill sheep sectors. Any additional VCS will have a knock on effect on the overall Basic Payment Rate. To balance this reduction out we believe it is vital that any beef support is front loaded to the first 1-10 calves.

We agree with not having P1 ANC but do not agree with using LFASS as it is misused - the ANC is used in P2 the better.

The last questions have 3 options of agreement and only one of disagreement; this introduces a statistical bias. There should be equal options for agreement and disagreement