



SCF Response to the CAP Pillar 1 to Pillar 2 Transfer of Funds 'mini-consultation'

16 December 2013

Thank you for the opportunity to respond to the Scottish Government's proposal to transfer funds from pillar 1 to pillar 2. The SCF does not agree with the amount suggested in principle, though our reservations regarding pillar 2 will be obvious. We strongly disagree with the suggestion that LFASS will be used in the same way as it is currently and that CCAGS will be opened to non-crofters.

An overall objective of the CAP reform, we were told by the European Commission, is to move money away from direct payments and into rural development, where it can be targeted to achieve specific outcomes. With Scotland receiving the lowest rural development payments in Europe, it does seem anomalous that the full 15% transfer of funds from agricultural direct payments (pillar 1) to rural development (pillar 2) is being questioned and Scottish Government is minded to only transfer 9.5%.

Crofters also rely on direct payments (the single farm payment at present) but schemes that are essential to crofters, such as the Less Favoured Area Support Scheme (LFASS) and the Crofting Counties Agricultural Grant Scheme (CCAGS) are found in pillar 2, the Scotland Rural Development Programme (SRDP). Furthermore, agri-environment schemes, which should be good for crofters who manage the majority of Scotland's High Nature Value agricultural land, are also found in the SRDP.

However, again, crofters are finding themselves between a rock and a hard place. LFASS in Scotland is designed to pay higher rates per hectare to the better off land. So whilst we may want money transferred to pillar 2 where LFASS lies, if the scheme carries on in its present form, which is the government's intention we are told, most of it goes to topping up the farm payments to those on the better land. This perverse way of using LFASS has to stop.

To make matters worse for crofting, Scottish Government are also suggesting that CCAGS, which is currently only open to crofters, be opened up to non-crofters. The argument that other small holdings in the crofting counties that deliver the same desired outcomes should also get this support is understood. But crofting is unique and should have its own scheme. It is a system of tenure regulated by specific legislation. Regulation imposes burdens upon crofts that non-croft holdings do not have. It is widely perceived that this regulation delivers public goods, so it is not unreasonable to argue that crofters should be given additional support for being regulated. Most small-holdings, by virtue of crofting legislation, can become registered crofts and could therefore benefit from crofting support measures. SG has invested a great deal of time and public money into crofting legislation; ask yourself then, is there reasonable incentive to put a small-holding under crofting regulation, and justify the time and expenditure?

In summary, crofters do not trust the Scottish Government's use of pillar 2 funding. Whilst the principle of moving as much money as possible into pillar 2 may be idealistically agreed with, the reality is that what you are suggesting be done with pillar 2 funds is far from in the interests of crofters, the environment or rural communities.