

CAP winners and losers

DURING THE CAP negotiations there is often reference to winners and losers.

The Scottish Government tries to minimise losers and to limit winners. It doesn't help the industry to create wind-fall recipients any more than it benefits it by having too many losers dropping out of production. This could be seen as attempting to keep a balance or as bowing to a lobby for keeping business as usual. The pertinent question is, does it help in becoming a Good Food Nation?

The term winners and losers paints with too broad a brush. In the statistical sense there may well be crofters who fall into a bracket classed as winners, but there will be great variance in that bracket – some will do better; some will fare worse. There will be crofters who are winning who may well have started off with a pittance anyway, so to increase by a small percentage, making them winners on paper, doesn't really amount to very much.

Pillar 1, basic payments, tends to be dominated by larger producers. There will be many still receiving their very large cheques in years to come. But statistically this money has moved a bit from the south east of Scotland to the north west. Under the direction of the European Commission, CAP support payments have to move to the smaller producer and to the more environmentally sensitive areas, despite efforts by the industrial producers to thwart this. So it looks like the crofting areas, as a whole, could benefit from the pillar 1 reforms, they say.

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The importance of small producers

DURING THE REFORM of the Common Agriculture Policy (CAP) in 2003/2004, SCF fought hard for, and won, a beef calf scheme that paid out an enhanced rate on the first ten calves.

This front-loading mechanism is designed to help the small producer and so, not surprisingly, was resisted by the lobby groups representing the bigger producers. But we got it.

The new CAP regime has further coupling of payments to production and there are several mechanisms to help the beef industry. The front-loading has been ditched though, replaced with a flat rate to all producers of any size. This will not bother the larger producers, indeed some may well rejoice, but it is a bitter blow to crofters and small-holders.

In the 1960s The Mansholt Plan, as it was known, was an idea promoted by Dr Sicco Mansholt, European Commissioner for Agriculture, which sought to remove small farmers from the land and to consolidate farming into a larger, more efficient industry.

The UK embraced this plan, probably more so than any other European country, and we still stand out in Europe as the odd one out regarding the large average size of our farms. Indeed, the Crofters Commission which was set up in 1955, was tasked with amalgamating crofts; and there are still a fair few of these very large crofts to be found in the crofting counties.

Where does this come from? There are some myths that need dispelling such as "Large scale

industrial farming is more efficient"; actually, industrial agriculture puts in ten times more energy than it produces; small-holder agriculture produces ten times more energy than it puts in. The efficiency myth is about putting more money into less pockets, a concentration of wealth.

Another myth is that large-scale farming feeds the world. Actually 70% of the world's food is produced by small-scale farming.

The present round of CAP reform has focused on support to the small producer, driven by member states in central and eastern Europe particularly, that are characterised by a prominence of small farms.

Most, if not all, European member states define a small farm as a unit above one hectare. Scotland defines it as above three hectares and the rest of the UK as above five hectares, so Scotland is somewhat more small-producer friendly, in this regard, than the rest of the UK at least.

Funding in the last Scotland Rural Development Plan (SRDP) was dominated by the larger businesses that could afford to pay agricultural consultants to prepare their applications. The design of the new SRDP reflects the need to make it more accessible to smaller businesses and it also has, after strong SCF lobbying, a new version of a capital grants scheme for crofters.

Scotland is famous for its iconic crofting system, but are we looking after our small producers as well as other European countries are?

