



**March 2010**

## **SCF comments on the 'Inquiry Into Future Support For Agriculture In Scotland' interim report.**

Thank you for the opportunity to comment on the interim report of the Inquiry into future support for agriculture in Scotland. SCF is the only member-led organisation dedicated to promoting crofting and is the largest association of small-scale food producers in Scotland. Its mission is to safeguard and promote the rights, livelihoods and culture of crofters and their communities. Working through our membership structure we can respond authoritatively at local, national and international levels on the many issues affecting crofting and crofting communities. We have presented here comments gathered from our area representatives and advisors, not in any order of priority.

### **General comments**

We think that producing an interim report is very useful and informative, and we appreciate that public meetings have been held to inform producers of the Inquiry's thoughts to date. Comments received from our advisors are on the whole negative – in fact they cover the range from being uncomfortable with, to being extremely hostile to, the suggestions given by the Inquiry committee, the mode tending to the latter.

We agree that there is a need to change the way support is delivered to agriculture / food production / land management / rural development, and that it should be sooner rather than later - we should not wait until 2014 to instigate change. However, the model suggested in the interim report is not the way forward. It is reported that this is a preliminary 'kite flying' exercise, but to continue the analogy, we think that the trim is badly out of kilter; the suggested model takes the necessary change in completely the wrong direction.

The report starts well with a good background into wider issues and how Scotland's policies have to address these issues – such as food security, water management, energy production, biodiversity protection, climate change and so on. Rural population retention is mentioned also. The report then seems to ignore most of the background and policy drivers and addresses only the underlying purpose of 'economic growth'. We do not include the word 'sustainable' (as in the Scottish Government principle aim) as we do not feel that the suggested model addresses sustainability. Indeed, we find the proposal that "it may be that we cannot increase food production without some sort of environmental degradation" completely unacceptable.

We agree that it is essential to maintain a productive agricultural sector in Scotland – so that we maintain our capacity to respond to issues of food security – food production should therefore include crops/livestock at present unsupported, e.g. pigs, goats, potatoes, vegetables, soft fruit, glasshouses/polytunnels. What about the other securities that we need to address, such as carbon sequestration? Food is of primary importance but agriculture is not just about food. . **"European agriculture is multi-functional,"** says the report, but then appears to ignore that in the Scottish context. The approach needs to be more holistic with support directed at activity that will bring about desired outcomes such support for

sustainable food production, support for carbon management, support for population maintenance and so on.

**“For whoever has, to him shall more be given; and whoever does not have, even what he has shall be taken away from him” Mark 4:25**

The whole argument of paying more (because of volatile markets) to those with the highest ability to produce for the market is weak. This simplistic model is highly inequitable and will not lead to the objectives we should be seeking for Scottish agriculture. There is no justification for providing unfettered support at the highest rates to those with the most advantage to earn a fair wage from the market.

We think that it is not going to be acceptable to the public that those with the best quality land and therefore the best ability to operate in the market receive the highest support from the public purse regardless of how their practices driven by wealth creation impact on the public heritage, whilst those managing huge areas of some of Scotland’s finest landscape and biggest carbon deposits in a sustainable manner are supported the least.

It should be recognised in the context of sustainable economic growth that tourism brings in more revenue to the Scottish economy than meat exports do and it is landscapes such as those managed by crofters that tourists come to see. It is therefore apparent that support to extensive grazing in the Highland and Islands should be given a higher degree of importance.

But food production isn’t driven just by economic growth as the report correctly observes, though the many facets of agriculture that provide the rationale for support are not reflected in the position taken in the recommendations.

***Our principal objections to the suggested model are therefore twofold: 1. that it is not placed in, and does not pay account to, the wider context of carbon sequestration, environmental protection, animal welfare, rural population well-being... and 2. that it protracts the unacceptable and fundamental inequity of basing levels of public support on quality of land regardless of the level of public goods produced.***

## **Other comments**

In the wider Scottish legislation context, this support reform should be used as the opportunity to complement the Crofting Reform Bill, proposed legislation that increases regulation but relies on other policy mechanisms to provide the incentives to croft.

Support should be tailored to Scotland’s diverse agricultural sectors and should recognise the differences. We have said before and will keep on saying that **‘one size does not fit all’**. Crofting is not farming, it is a land-based culture that manages a vast area of some of Scotland’s remotest and most ecologically fragile landscape. Crofting has kept people in these areas and if crofting goes so will the many support ancillary industries which help communities to survive, and so populations will decline further. We believe that the loss of stock from crofting areas is close to, or has reached the ‘tipping point’, beyond which it will take generations to recover. It is therefore imperative that action to stop the decline is taken immediately.

Management practices are crucial to the well-being of rural Scotland and we would like to see this reflected in support. For example, it would make sense to have the number of people engaged in the land management recognised, not just the area, otherwise this just

accelerates the loss of farming / crofting people and encourages low-populated monocultures, consequential soil degradation and loss of biodiversity.

We suggest a component which directs support on the basis of how much organic matter, and therefore carbon, the land contains i.e. public support paying for carbon sequestration, a vital public benefit.

We would also advocate support for environmentally beneficial management practices such as diversity of cropping and the use of native breeds of livestock on fragile ground.

The Macaulay LCA system could be a very useful tool, though there is no indication that it can be adapted for use at the level required. However, assuming it can be, this is not the whole story – if support is to be given for the delivery of public goods then we need not only land capability for agriculture to be known but also land capability for carbon sequestration and land capability for bio-diversity.

Support rates paid on area should diminish as area increases to a maximum area supported i.e. high rates on the first few hectares, decreasing and capped.

We agree to support for trees but there should be higher rates for mixed native woodland and multi-functional woodland e.g. livestock / woodland systems.

We agree that support should be for activity, activity in food production and land management. Therefore activity should include crops/livestock at present unsupported, e.g. pigs, goats, potatoes, vegetables, soft fruit, glasshouses/polytunnels, and practices such as appropriate extensive grazing.

We agree that support should be used to mitigate the disadvantage experienced by Scottish agriculture – 85% of the land is classed as LFA. But there is LFA and LFA. As other inquiries such as the RSE Hills and Islands inquiry and the Shucksmith inquiry both found, there are very different levels of disadvantage and the way Scotland uses the LFASS mechanism is completely contrary to the spirit of mitigating natural disadvantage.

We question the need for Top Up Funds – there is not clear evidence presented supporting this idea. If the support schemes are set up properly why would there be a need for a TUF? If we want farmers and crofters to 'achieve transformational change in the industry with support linked to the adoption of certain practices to enhance competitiveness and sustainability' then design the support schemes to do this. And of course we find unacceptable the notion that TUFs "might be directed at individual claimants in proportion to their direct area payment", based on the continuation of payments being allocated on a "whoever has (good land), to him shall more (support) be given" basis. Perhaps it is just that it isn't explained clearly enough, but the TUF idea seems to be either a bit of a bodge or a means to prolong the inequitable and unsustainable support regime that exists now.

We agree that all agriculturally usable area should be included but disagree with the stocking density. There is land that does benefit from grazing at lower stocking densities and because it delivers outcomes that satisfy some of the wider objectives should qualify for support. This land is part of Scotland's natural heritage and to suggest that we should pretend some of it doesn't exist is ludicrous.

Livestock units need to take into account native breeds which are generally smaller and have a more beneficial grazing pattern and so deliver beneficial land management in marginal areas.

We agree that support is needed to help the industry to adapt and improve – the industry needs to continually improve its competitiveness and its adoption of new practices; this may include returning to practices that were sustainable before inappropriate policy drivers distorted them. The crofting sector should not be penalised for having, on the whole, maintained good practice.

We agree that support should be used to maximise the delivery of public goods – public investment in agriculture can enhance their delivery; this is paramount and should be the principal policy driver.

We agree that the four objectives are useful, but we think that they come nowhere near to being enough to arrest the loss of livestock in the hills and islands. We welcome suggestion 4 as a starting point for discussion of the land abandonment issue.

We agree that there needs to be some form of protection to mitigate volatile markets but even this report maintains the assertion that support must be related to a region's average income. This goes both ways. If we are trying to address market volatility, support should be linked directly to activity, to market failure and to delivery of non-market goods.

The analogy of the most productive areas being an 'engine house' is indicative of this whole concept missing the point of the rationale for support. There are other far reaching objectives being missed other than the 'economic growth' model.