



John Hood
Head of Conservation Branch
SEERAD
Pentland House
47 Robb's Loan
Edinburgh EH14 1TY

25th May 2005

Scottish Environment LINK
2 Grosvenor House
Shore Road
Perth
PH2 8BD

Tel 01738 630804
Fax 01738 643290

enquiries@scotlink.org
www.scotlink.org

Dear John

PROPOSED NEW PAYMENT RATES FOR AGRI-ENVIRONMENT SCHEMES

Further to the publication of the proposed new payment rates for agri-environment schemes by the Scottish Executive on 9th May, I write to express the serious concerns of the Agriculture Task Force of Scottish Environment LINK regarding some of these proposals.

We recognise that of the 441 payment rates reviewed, 170 have increased, 134 have decreased and 137 remain unchanged, and welcome some of the proposed increases in payment rates. Increases in payments for corncrake prescriptions, retention of cattle and control of rhododendron are particularly welcome.

However, we are extremely concerned about the potential impacts of significant decreases in payment rates for measures that have been shown to deliver much for biodiversity. In particular, measures for **conservation headlands, hedgerow management, extensive cropping, unharvested crops, management of native woodland and aspects of the Organic Aid Scheme** have all suffered severe downward changes in the payment rates proposed.

Our worries are twofold. Firstly, for those already in agri-environment agreements which feature these measures, this dramatic drop in payment will adversely affect the businesses involved and disrupt the business planning process. It is inevitable that those who are affected in this way will also lose confidence in the agri-environment process as a whole, and will be unwilling to add to their existing prescriptions and expand their agri-environment work.

Secondly, we fear that some of the payment rates will be too low to attract new entrants into the Rural Stewardship Scheme at all, with the result that potential biodiversity, cultural heritage and wider environmental gains will not be possible. Indeed, the proposals may actually have the perverse result of doing environmental harm, if the rates proposed are so low that only the least productive agricultural land is entered into these measures- land that currently may be delivering environmental benefit in its own right. Although we have an assurance that the projected £3.9million in committed RSS spend will be retained within the agri-environment budget and available to others for further measures, if the useful agri-environment options are paid at too low a rate to be attractive, these will not be taken up. Coupled with a loss of confidence in agri-environment schemes amongst producers, there is a real danger of

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significant underspend of the agri-environment budget, which would be especially damaging at a time when rural development funding is under such scrutiny and increasing competition from many rural stakeholders.

We are especially concerned that the proposed drop in payment rates will affect the more marginal crofting and hill-farming areas most adversely. As rates are calculated using national gross margins, they do not reflect the variations in costs of production and land management across the country. It seems that the reduction in rates for extensive and unharvested crop prescriptions will mean that these are not viable options in these more marginal areas, where they have delivered important environmental benefits in the past.

We urge the Scottish Executive to **re-examine the payment rates for the measures that we have highlighted**. Although we understand that there are restrictions on the way that rates can be calculated, if we are to avoid the potentially disastrous consequences that could result from rates that are too low to attract take-up, everything possible must be done to increase these within the framework in which the Executive must operate. A re-assessment of rates should be done in conjunction with expert stakeholder input, including that of advisory bodies, notably FWAG and SAC. Rates that adequately reward habitat management work are essential if the credibility of Scottish agri-environment schemes is to survive, and the biodiversity and other conservation gains we have started to see these schemes deliver are not to be seriously eroded.

LINK ATF and its member organisations will be happy to work with government and others to try to find an acceptable way forward for agri-environment payment rates, including through our involvement in the Agri-Environment Technical Working Group.

Yours sincerely,

Lisa Schneidau
Convener, LINK Agriculture Task Force
Policy and Campaigns Manager, Scottish Wildlife Trust

This submission includes contributions from the following LINK ATF member bodies:

- Association of Regional & Islands Archaeologists
- Council for Scottish Archaeology
- National Trust for Scotland
- RSPB Scotland
- Scottish Wildlife Trust
- Soil Association Scotland
- Woodland Trust Scotland
- WWF Scotland