



Scottish
Environment

LINK

Scottish Environment LINK's response to the Inquiry into Future Support for Agriculture in Scotland

Scottish Environment LINK is the forum for Scotland's voluntary environment organisations - 33 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society. LINK assists communication between member bodies, government and its agencies and other sectors within civic society. Acting at local, national and international levels, LINK aims to ensure that the environment is fully recognised in the development of policy and legislation affecting Scotland.

This response is supported by the following organizations which make up LINK's Agriculture Task Force:

Archaeology Scotland
Buglife – The Invertebrate Conservation Trust
Bumblebee Conservation Trust
Butterfly Conservation Scotland
National Trust for Scotland
Plantlife Scotland
RSPB Scotland
Scottish Wildlife Trust
Woodland Trust Scotland

1. How can financial support to agriculture and rural development be best tailored to incentivise delivery of the Scottish Government's purpose of sustainable economic growth?

LINK believes that agricultural support should be directed towards promoting sustainable development in rural areas. The principles listed in Scotland's Sustainable Development Strategy (from the UK shared framework) are as follows:

- living within environmental limits
- ensuring a strong, healthy and just society
- achieving a sustainable economy
- using sound science responsibly
- promoting good governance

Achieving a sustainable economy is therefore included in the principles, however LINK feels that the Scottish Government should expect support to land management to contribute to meeting all of them rather than concentrating purely on increasing economic growth. Many of the benefits, which agricultural and other land management activities can provide, are not properly rewarded by the market and so may be underrepresented if economic growth is the only measurement used. A variety of policy instruments should be directed towards achieving sustainable agriculture which benefits the environment at the same time as producing sufficient quantities of quality food. Instruments needed will include a regulatory baseline and incentives to manage land in a sustainable way.

2. How can support be best directed to ensure high productivity from Scotland's natural resources bearing in mind challenges such as the loss of biodiversity?

Support should be directed to achieve high productivity in terms of the public goods provided rather than merely agricultural or forestry produce. It makes sense to promote a multifunctional model of agriculture which provides as many benefits as possible rather than concentrating on one. It is important that land management activities do not damage the environment on which they rely.

3. How can support be best directed to help deliver the Scottish Government's targets on Climate Change?

In order to meet the targets of the climate change bill, large changes in agricultural practice will be needed. These targets need to be met in a sustainable way i.e. a way that does not damage other vital environmental assets. It is important that the Scottish Government gets the "Sustainable Land Use Strategy" (a requirement of the Climate Change (Scotland) Act 2009) right and makes sure that land use contributes more to climate change mitigation and less to greenhouse gas emissions.

The activities recommended in the Government's "Farming for a better climate" are a sensible start. This programme recommends that farmers concentrate on the following key actions:

1. Using energy and fuels efficiently
2. Developing renewable energy
3. Locking carbon into the soil and vegetation

4. Optimising the application of fertiliser and manures
5. Optimising livestock management and storage of waste

While these objectives are worthwhile, relying on farmers voluntary actions will not be enough to achieve them. Funding will be needed for large changes in practice and Scotland may need to regulate against the most damaging activities. The Government should try to promote win-wins where possible which provide benefits in terms of climate change mitigation and adaptation, habitats for biodiversity, water management and landscape.

4a. How might Pillar 1 funds (i.e. the Single Farm Payment in Scotland) be best distributed in future, for example between regions of Scotland and/or land types, in order to contribute to the Government's purpose and vision?

In the short term, LINK supports a move towards a regionalised payment model. This should have strict criteria attached to ensure that the land is actively managed and that management does not cause environmental damage.

In the longer term, LINK's vision is for land management payments to be much better linked to the delivery of public goods. We should get rid of the two pillar system currently in place and introduce a sustainable land management fund with tiered payments, the size of which depend on the quantity of public goods produced. If Pillar 1 does survive the 2013 reforms in name, it is important that its purpose be completely revised. It should constitute a contract between society and land managers which rewards them for good land stewardship, for helping to improve environmental and landscape quality and habitat connectivity in the wider countryside and for helping with adaptation to climate change. Land managers could decide not to receive the payment (though those who opt out would obviously still have to comply with regulations) but all should be able to opt in if they wish to deliver benefits additional to minimum requirements.

4b. Should this redistribution start as soon as is practical (i.e. ahead of the post 2013 reforms being known) to enable a long change over period?

Yes. It is likely that changes, including a potentially large decrease in budget, will be imposed after 2013. The Scottish Government should provide a "soft landing" by starting to introduce changes slowly now.

5. What, if any, conditions should be attached to Pillar 1 payments in the future to secure public benefits commensurate with those payments?

It is important that suitable conditions be attached to Pillar 1 should it be continued. These should be expanded beyond existing Good Agricultural and Environmental Condition (GAEC) measures. They could include managing a percentage of the area for environmental benefits; livestock density requirements; not damaging landscape and historic features; maintaining, protecting and buffering of woods of high conservation value; and managing soils and nutrients.

6. What should the relationship between Pillar 1 and the Less Favoured Area Support Scheme be?

LINK believes that the Less Favoured Area Support Scheme does not have a clear policy objective in its current form. It should be redirected to support the types of farming system which could be economically marginal in terms of agricultural produce but provide significant public benefits in terms of environmental goods. Often termed High Nature Value Systems, these are receiving increasing interest on the European policy level. LINK believes that payments should be targeted geographically but more importantly, have eligibility criteria attached, for example regional stocking densities, limits on inputs and drainage, etc.

Such a redirected LFASS payment would only be available to particular systems and would not necessarily require management to change if benefits were already being delivered. Pillar 1 support, however, should be available to all land managers who are willing to comply with particular conditions designed to better deliver public goods.

7. How should payment levels reflect farming activity?

LINK believes that all land management payments should be directed towards the provision of public goods. There is a range of ways of delivering these goods, including through maintaining farming activity. However, payments should be linked to the outcomes rather than the activity.

8. Should future schemes cater for agricultural holdings currently outside the Single Farm Payment scheme and for new entrants to farming?

Yes. It makes no sense to exclude land managers on the basis that they have no historic entitlement when they may be carrying out similar activities to those that do. Any farmer, crofter or land manager who can meet the eligibility criteria established for any future payments, and comply with any relevant environmental conditions attached to such payments, should qualify to apply to the scheme. Extending eligibility may be particularly relevant in the context of meeting climate change targets. For example, there may be a case to include a wider range of activities than those originally covered by the SFP (for example forest management) as otherwise agricultural payments may act as a disincentive to make the changes of practice needed to mitigate and adapt to climate change.

9. It is generally expected - due to pressure on the EU budget – that the Single Farm Payment budget will be much smaller after 2013. How should the prospect of diminishing budgets be factored into future schemes?

The Scottish Government, along with the other devolved UK administrations, needs to make a strong case for maintaining agriculture and rural expenditure in order to ensure the on-going provision of public goods and make sure we can respond to challenges such as climate change and loss of biodiversity. However any defence of the CAP budget needs to be accompanied by a clear vision for the CAP which recognises that, as currently constituted, the policy is largely failing to respond to key challenges or to ensure the provision of public goods.

If predicted cuts are made, it will be important that the CAP is more focused and targeted to the delivery of public goods and achieving sustainable land management. In this way, it may be possible to achieve more with less. Starting the process of payment redistribution now and communicating the likely direction of policy reform to farmers, crofters and land managers will be critical in preparing the agriculture sector for the inevitable cut in the budget.

10. In an ideal world what should the future balance between Pillar 1 and Pillar 2 of the CAP in Scotland be?

Link believes that greater levels of funding should be allocated to Pillar 2. If this is not possible in the short term, better targeting of the existing resources within Pillar 1 and LFASS is essential. In the long term, we do not believe the two pillar CAP is viable and support a complete reconstruction of the Policy as outlined above.

11. Should future support be targeted to encourage transformational change to agricultural businesses, collaboration and engagement between businesses in the different stages of the production chain, and if so how?

Yes. Support will also be needed to assist individual businesses which need to make large changes in practice to allow the Government to meet climate change targets, facilitate coastal realignment, secure natural flood management, halt the loss of biodiversity or encourage peatland restoration for example. While there are Pillar 2 funds currently available for many of these activities, money is currently limited. Support will also be needed for the adjustment and adaptation of farm businesses, to give them the ability to operate in a more market orientated environment, to facilitate collaboration and to provide advice.

12. What should the Scottish priorities be in future negotiations on agricultural support schemes with the United Kingdom authorities and at EU level?

- Meeting the climate change, biodiversity, landscape maintenance and better water management challenges
- Supporting sustainable agriculture and sustainable rural development
- Maintaining a sufficient CAP budget to fund the above challenges.
- Ensuring an allocation of funding across the EU, the UK and Scotland based on objective criteria and recognising the high proportion of HNV farmland in Scotland and its contribution to the provision of ecosystem services.
- Maximising multiple public benefits from the public purse.

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