



Ms Katy Jeffrey
Farm Business Restructuring Division
Conservation Branch
Room 116
Pentland House
Edinburgh EH14 1TY
29th May 2003

Dear Ms Jeffrey

Proposals for Changes to Agri-Environment Schemes in Scotland

The NWCPA would like to offer some observations and suggestions on this matter. NWCPA is a voluntary producers group created with the stated aim of halting and reversing the historic decline in cattle numbers in the parishes of Assynt, Eddrachilles, Durness, Tongue and Farr located in the north west corner of Sutherland.

The historic decline in cattle numbers is a serious environmental matter which detrimentally affects both agricultural ground and the internationally renowned environmental assets in these north west parishes. Cattle numbers have fallen from some 9,500 in 1911 to 2,200 by 2001. The ratio of cattle to sheep has altered from 1:17 in 1911 to 1:46 by 2001.

NWCPA seeks to support both existing and new producers through access to appropriate advice, training, co-operative working and lobbying. The group is new and last year completed a feasibility study to clarify what sort of help might make a difference. The study found that the key motivation for keepers was that 'cattle are good for the ground'. Half of those who have stopped keeping cattle reported detrimental changes to the ground, wildlife and flora since the removal of cattle. At a local level NWCPA is currently working to create a 3 year plan which would provide parish level support for new and existing producers.

Access to Agri-environment Schemes

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For crofters it would make a huge difference if it were possible to apply to a simple and easily accessible agri-environment scheme which supports existing cattle keepers, new cattle keepers and associated winter feeding where circumstances allow. Currently only 5% of those participating in RSS and OAS are crofters. In particular RSS has to date delivered nothing for the crofting areas. The 'Crofting Counties' cover more than half the land area of Scotland, some of Scotland's most important environmental assets and the area is important for tourism too. Small crofters find it impossible to pay out for an environmental audit which at present everyone can see will result in nothing happening since access to RSS is impossible to access.

It would be appropriate to make a simplified, accessible RSS scheme available in the key crofting areas where cattle decline is a problem – north west Sutherland, Wester Ross, Skye, Lochalsh, Lochaber, Argyllshire, the Western Isles and Shetland. More broadly the time has come to recognise the significant 'public goods' provided by crofting agriculture and to move towards a situation where instead of schemes based on 'income foregone' producers can generate appropriate income from managing local biodiversity.

Rural Stewardship Scheme

Small Units Prescription

Access: This scheme has so far completely failed to deliver any significant benefit to crofting areas. According to Crofters Commission statistics the average croft size is 11.1ha but the Small Units Prescriptions is for producers with 10ha or less of inbye ground. We recommend that the Small Units Prescription be opened to all registered crofters, groups of crofters applying collaboratively and Township Grazing Committees for common grazings. Unless this is done RSS will continue to be seen as a sham in the crofting areas.

Retention of Cattle: Assuming that access is improved as described above, the rate for retention of cattle needs to be significantly increased in recognition of the background trends – historic decline and resultant environmental decline. The current rate is £5 per hectare of inbye ground. This would yield the grand total of £50 per annum for 10ha of inbye which is merely window dressing rather than a genuine commitment to cattle retention in the crofting areas. A rate of £100 per hectare of inbye would be more appropriate and is about 30% of the rate for introducing cattle.

Re-introduction of Cattle: Again access to this measure is crucial because if it was actually accessible to crofters this Management Option could make a significant contribution to environmental management and reversal of decline.

Capital Works

To maximise the positive impacts of cattle in the environment it is very important to get them back onto hill ground. There is currently a limit of 35% of capital works for dyking, fencing etc. One of the key problems faced by township with a historic decline in population and cattle numbers is lack of infrastructure. In order to reverse that huge sums are needed for repair of township dykes and fencing of common grazings. This is a

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particular issue for cattle. Much higher rates of grant are needed to get the environmental gains from cattle on the hill since the public goods that stem from this are significant but agricultural income alone cannot meet the costs of relevant fencing and dyking. In addition for many townships these items would be their main capital works and so a limit of 35% makes that Management Option useless.

Proposals for Collaborative Applications

We recommend that the minimum number for collaborative applications whether under your new proposals or the Small Unit Prescription be 2 producers instead of 4.

The only option currently open to Grazings Committees for Common Grazings is the Moorland Management Prescription. This currently restricts Grazings Committees to reduction of sheep numbers, muir burn issues and bracken/rushes control. Some or all of these options are not necessarily relevant to all townships. What about all the other habitats normally present on common grazings – machair, water margins, species rich grassland etc? We again recommend that Grazings Committees and groups of crofters can apply under the Small Units Prescription and that all relevant Prescriptions are opened to them.

In short we are supportive of the option for Collaborative Action for a minimum number of 2 applicants for riparian habitats, grassland for birds and **all crofting applications**. All applicants should be awarded the score gained by the highest scoring applicant during assessment. The application process should only require **one application** on behalf of the group, covering individual holdings **and** common ground. The application can be signed by all parties.

For this to work the current grant of £300 for environmental audit work would need to be raised since a group or whole township survey would be considerably more expensive. Group applications should get a 100% grant for the environmental audit and plan preparation.

Organic Aid Scheme

Croft Production

Rates for AAPS eligible land should not be increased since the points are already skewed towards arable conversion and it is in this sector that a profit can more easily be made. The conversion rate for rough grazing/ unimproved grassland should be maintained since these producers suffer a market disadvantage and don't gain good mark ups since the finishers are getting the profit. More support should be available for small scale producers like crofters through offering a higher rate for the first 20ha of improved grazing.

Markets for Organic Sheep and Cattle

At present organic producers in the crofting areas are suffering severely from the distance to markets in a new and currently under-developed market place. They are being offered significantly **less** than the price for non-organic store lambs and calves by organic finishers. This means that they are being forced to sell organic stores in the non-organic market place. This is due to the lack of organic auctions and abattoirs in the north. Unless these producers are supported they will leave organic production within the next 18 months. If it were possible to quickly come up with incentive payments for the agricultural autioneers to run experimental organic sales or sections in sales this would improve the market process. Likewise incentive payments for abattoirs serving the crofting areas to start an organic option would facilitate local marketing and direct marketing which is in demand. The producers tell us that although the general trend at EU level is for decoupling, an interim measure of a headage payment on marketed organic stock in the crofting areas to meet the current shortfall in organic prices for stores in the north would prevent a number of them giving up before the current marketing problems are alleviated.

Horticulture

We agree that a conversion rate for fruit and vegetable production is appropriate. Again higher rates should be implemented for the first 2ha converted at about £1200/ha+.

Group Schemes

In crofting whole township conversion is really the only way forward – in these cases the support for conversion plans should be 100% of cost.

Advice and Support

Help with the costs of Advisory Support should be provided and conditional approvals is a sensible idea but more than 3 months needs to be allowed for finalisation. We agree that market related expertise should be used in appraisal but it should also be made available to convertors at time of creating conversion plan – what about an Organic Conversion Mentor Scheme based on the same structure as SCARF? That would mean that the convertor gets a list of approved mentors and chooses one – the Mentor is paid direct by SE which is less complicated for small producers.

Capital Costs

There should obviously be help with Capital Costs but the RSS formula is biased against hill producers/ crofters since dyking can only be 35% of total capital cost. On a mainly livestock unit dykes, fences etc will be the major expenditure so the RSS 35% rule just inhibits entry. Why not just pay a straight 50% of total costed conversion plan up to a practical ceiling? Payments beyond 5 years should be confined to those in LFASS areas.

Overview

- Ensure RSS starts delivering in the crofting areas by improving accessibility for both groups and individuals
- Open the Small Units Prescription to all registered crofters, groups of crofters applying collaboratively and Township Grazing Committees for common grazings
- Increase the rate of payment for cattle retention under a more accessible Small Unit Prescription to £100 per hectare of inbye
- Collaborative applications should involve one application covering all participants
- The costs of preparation of collaborative applications should be 100% grant aided
- The minimum size of a 'group' should be 2 crofters
- Grazings Committees should be able to apply for all relevant Management Options according to the **real habitat mix** on the ground and should have access to the Small Unit Prescription as crofters
- For OAS higher rates should be paid for the first 20ha converted or in the case of horticulture the first 2ha
- Incentive payments to establish organic markets for store producers and organic abattoir provision is a matter of **extreme urgency** in the remote crofting areas
- To support whole township organic conversion 100% of the costs of preparing the plan should be met
- Advice and support should be provided both before and after organic conversion
- Capital costs need to relate to business needs and environmental benefits – smaller units should get greatest support
- Payments beyond 5 years should be confined to the LFASS areas

Thank you for this opportunity to comment.

Yours sincerely

Allan MacRae, Chairman