

NORTH WEST CATTLE PRODUCERS ASSOCIATION

Bayview
Armadale
Sutherland
KW14 7AS

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Mr Bill Hepburn
SEERAD
Less Favoured Area Support Scheme
Room 248
Pentland House
47 Robb's Loan
Edinburgh
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Dear Mr Hepburn

LFAS – Revised Proposals for 2003 Onwards

The North West Cattle Producers Association (NWCPA) is a producers group created in 2000. Our aim is to halt and reverse the historic decline in cattle numbers in the north west parishes of Assynt, Eddrachilles, Durness, Tongue and Farr for agricultural and environmental reasons. The group works to support existing and new cattle producers.

As a group we welcome the focus on cattle provided in the new LFAS proposals and the recognition of 'Fragile Areas'. We do however have strong concerns about a number of matters. Our main concern is that in view of the fact that FFAS is meant to help producers in the most difficult areas, the current proposals discriminate against areas like our own because of the high minimum stocking density proposed.

Minimum Stocking Density

Many small crofting producers will fall well below your proposed minimum stocking density of 0.12 LU/ha. Indeed in areas of high environmental value like north west Sutherland low stocking densities are often desirable. The environmental expert Roy Dennis recommends a stocking density for agri-environmental purposes on common grazings of 0.02LU/ha. Your proposed minimum has the effect of forcing croft tenants to exceed their soumings limit and discriminates against those who keep to the more environmentally appropriate lower densities. In these circumstances many croft tenants will get nothing from the new proposals despite being in the most fragile parts of the 'Fragile Areas. We recommend therefore that in the Fragile Areas you set a lower minimum stocking density.

Your proposals do not clarify what would happen if a producer falls below your suggested minimum stocking density. Would that producer receive the minimum payment of £350 (Point 6) or is there a sliding scale or clawback? We would be grateful if you could clarify this.

Grazing Category – Weightings

The proposed Categories are based on stocking density which makes the issue of minimum stocking density crucially important. Category B has double the weighting of Category A. Since many small scale producers in Fragile Areas will fall into this lowest Category it appears that they will be disproportionately penalised. This does not seem to us to be a good way to support agriculture in the most remote and demanding areas which are also the areas of greatest environmental value. We recommend therefore that the difference between category A and B should be more proportionate.

Enterprise Mix

It should be made clear that the term suckler cow does not refer only to those fortunate enough to be in possession of Suckler Cow Quota. We assume that it refers to all suckler cows and request that in the Fragile Areas **all cattle** over 6 months, including steers should be included in this calculation. Again this would recognise the particular disadvantages of the area and the recognised environmental benefits of keeping hill cattle in these areas, including steers. The Fragile Areas, like our own, have high numbers of native breeds such as Highland cattle which are slow maturing. This type of steer is very beneficial for grazing quality and for the environment and many new producers start with a few steers. It is important not to disadvantage small producers starting out in this way.

Quality Assurance

In view of the falling agricultural incomes experienced of late many small producers in north west Sutherland have not been able to maintain membership of or to join recognised quality assurance schemes. We feel therefore that this is a bad moment to link payment levels to membership of quality assurance schemes as it is certain to penalise producers in the Fragile Areas most and hence redirect monies away from those in greatest need. The basic health and quality issues covered by these schemes are also so similar to the government's own revised guidelines in terms of cattle health and welfare that the suggestion seems unnecessary.

Base Reference Period

This is a matter of grave concern. This group aims to support increased cattle numbers and the Forward Strategy for Scottish Agriculture identifies beef as a key growth area. It is therefore essential that you add a '*New Applicants*' category for those just starting out in cattle production. In this category the base reference period should facilitate changes of Grazing Category as new entrants – who **must** be encouraged – develop their production. Please bear in mind that in crofting new producers are only rarely taking over ground which already has an appropriate Grazing Category. The vast majority will be taking over ground which was understocked due to retirement or returning to cattle production on crofts already held which would change the stocking density and make recategorisation absolutely essential. It must be possible to recategorise croft land in terms of Grazing Category.

Equally producers currently trying to build up stock must not be penalised by being allocated an inappropriate Grazing Category. It is therefore essential that a '*Growing Business*' category is included which provides for increasing stocking densities and hence

a change of Grazing Category. This sliding scale could be over an agreed period – perhaps of 3 – 5 years – to allow and indeed encourage business growth.

It is very important to note that any Base Reference taken just now will be atypical since many small producers are only returning to beef cattle now after being forced out by low prices and BSE in the past. For producers not affected by these circumstances a Base Reference period of 2001 would be acceptable *on condition that the system for illustrating that the year is atypical is genuine, accessible and easily understood.* Should an average over a three year period be chosen that too **must** include provision for showing that the average is atypical. You do not mention this option in your consultation paper. We already have some members who have been penalised under the old LFA system since they started in cattle in 2001. Our members also include a number of new entrants to cattle production who would be severely penalised and discouraged if our recommendations were not to be implemented.

We look forward to being kept informed of developments.

Yours sincerely

Anna MacConnell
Secretary - NWCPA