

## **COMMON AGRICULTURAL POLICY REFORM SEERAD REGIONAL STAKEHOLDER MEETING**

<b>REGION:</b>	<b>SOUTH WEST</b>
ORGANISING BODIES	Southern Upland Partnership
FACILITATORS:	Small Town and Rural Development Group (STAR)
MEETING LOCATION	Douglas Arms Hotel, Castle Douglas
DATE	24 <sup>th</sup> November 2003

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### **1. AIMS OF THE MEETING**

The 12 regional stakeholder meetings held across Scotland were organised on behalf of the Scottish Executive Environment and Rural Affairs Department.

The aims of the meetings were to:

- to inform a wide range of stakeholders about CAP reform, its implications, and the options for implementation;
- to encourage a response to the consultation;
- to hear regional views on the likely implications of CAP reform;
- to hear regional views on preferred options for implementation.

### **2. ATTENDANCE**

<b>Name</b>	<b>Organisation</b>
<b>First Session</b>	
Alex Fergusson	Member of the Scottish Parliament
Wilma Findlay	Cream o'Galloway
Tony Fitzpatrick	Dumfries and Galloway Council
Charlie Fulton	
Mark Gibson	Craigengillan Estate
James Hepburn Scott	Forest and Timber Association
Chris Hopkin	Dumfries and Galloway Council
Anna Johnson	NSA
Andrew Kennedy	Scottish Woodlands
Alastair McDonald	A&E Federation CC
Chris Miles	Scottish Natural Heritage
Joan Mitchell	Dumfries and Galloway Council
Peter Norman	Dumfries and Galloway Council

Chris Rollie  
Margaret Sainsbury  
Mary-Ann Smyth  
Avril Tingley

Royal Society for the Protection of Birds  
Forrest Estates  
Southern Upland Partnership  
SRP

### **Second Session**

Mary Armstrong  
David Findlay  
Robert Hall  
Fergus McDowall  
George Mcquarrie  
Charlie Wannop

Kirriemore Farm  
Cream o'Galloway  
Southern Upland Partnership  
  
Solway Heritage

### Presenters and Facilitators

Jenny Hamilton  
Grant Moir  
Alan Tuffs  
Vera Steele

SEERAD  
SEERAD  
STAR  
STAR

## **3. AGENDA**

- Welcome and Introduction
- CAP Reform
  - SEERAD presentation
  - Small Group discussion
  - Feedback on hopes and fears/ opportunities and threats
- Options for implementation
  - SEERAD presentation
  - Small Group completion of consultation questionnaire
  - Feedback on views on preferred options

## **4. THIS REPORT**

This report is based on the feedback of views from the group discussions.

## 5. REGIONAL VIEWS ON THE POTENTIAL IMPLICATIONS OF CAP REFORM

<b>A PROSPEROUS FARMING INDUSTRY</b>	
HOPE AND OPPORTUNITIES	FEARS AND THREATS
<b>GROUP 1</b>	
<ul style="list-style-type: none"> <li>• Exceptional opportunity for new young entrants to collaborate with retiring farmers.</li> <li>• A prosperous farming sector central to rural development</li> <li>• Multi-purpose opportunity to diversify.</li> <li>• Strengthened links between all rural stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Negative public perception</li> </ul>
<b>GROUP2</b>	
<ul style="list-style-type: none"> <li>• A profitable farming industry accepted by the public.</li> <li>• Phased approach to end of subsidies.</li> <li>• Farmers rewarded for supplying products which are wanted by the public.</li> <li>• Production of better products.</li> <li>• Better integration of farming with rural / urban communities.</li> <li>• Increased integration of land uses – agriculture / forestry etc.</li> <li>• Early retirement possibilities linked with increased opportunities to attract “new blood” into farming.</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of “super farms” – amalgamation of entitlements to best farming areas.</li> <li>• Potential reduction in capital value of farms.</li> <li>• Will reinforce inward-looking industry focused on production sectors.</li> <li>• Knock-on effect on upstream and down stream businesses.</li> </ul>
<b>GROUP3</b>	
<ul style="list-style-type: none"> <li>• Markets will predominate and farm units will become bigger.</li> <li>• Collaboration with supermarket chains to encourage stocking of local produce.</li> <li>• Can we attract tourists?</li> </ul>	<ul style="list-style-type: none"> <li>• That farming will only be viewed as an industry and not an integral part of the rural community/economy.</li> <li>• With farm incomes at such a low level, the reforms coupled with global market forces will not lead to a prosperous farming existence and may push some farms over the brink.</li> <li>• World level competition and cheap imports will mitigate against niche marketing.</li> <li>• Agriculture will feel undefended – nobody to fight its corner.</li> <li>• Loss of farming from upland areas (based on labour unit/production).</li> <li>• Production will move out of the hills, out of Scotland, out of UK, out of Europe</li> </ul>

<b>PART OF RURAL DEVELOPMENT</b>	
<b>HOPES AND OPPORTUNITIES</b>	<b>FEARS AND THREATS</b>
<b>GROUP 1</b>	
<ul style="list-style-type: none"> <li>• Freedom to farm with removal of link with subsidy payments.</li> <li>• A chance to think beyond the farm gate</li> <li>• Entrepreneurial opportunities for farmers</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of up/downstream jobs.</li> <li>• Difficulty in maintaining and enhancing health of rural economy if decline in farms.</li> <li>• Problems with the maintenance of permanent pasture.</li> </ul>
<b>GROUP 2</b>	
<ul style="list-style-type: none"> <li>• Will encourage further development of farm businesses.</li> <li>• Improved connection with the public.</li> <li>• Expansion of tourism/green tourism.</li> <li>• Encourage stronger partnership working links between farming/agencies and communities.</li> <li>• Counter rural depopulation.</li> <li>• Support initiatives such as path networks/countryside recreation.</li> <li>• Help to regenerate rural economies (age structure etc improved).</li> </ul>	<ul style="list-style-type: none"> <li>• Modulation an additional drain of money from farming sector.</li> <li>• Modulated funds will be centred on farming sector.</li> <li>• Threat to family farm structure with creation of “super farms”.</li> </ul>
<b>GROUP 3</b>	
<ul style="list-style-type: none"> <li>• Increased opportunities for integration – farming/forestry/social growth.</li> <li>• Relaxed planning regulation to allow construction of new homes</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of people from the land leading to loss of human basis for existence.</li> <li>• Great concern over intensification of “industry” – especially dairy – loss of employment, extensification of upland areas.</li> <li>• World Trade Organisation regulations lead to fall in prices, with consequent loss of viable farms.</li> </ul>

<b>PROTECTING AND ENHANCING THE ENVIRONMENT</b>	
<b>HOPES AND OPPORTUNITIES</b>	<b>FEARS AND THREATS</b>
<b>GROUP 1</b>	
<ul style="list-style-type: none"> <li>• Opportunity to diversify into well designed woodland with no negative financial implications.</li> <li>• Design of a woodland scheme which provides a transition of land use with no net loss to the farmer.</li> <li>• Increased diversity of farms.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of cattle numbers in the hills.</li> <li>• Level of expertise to carry out checks to ensure GAEC.</li> <li>• Loss of mixed farming units.</li> </ul>
<b>GROUP 2</b>	
<ul style="list-style-type: none"> <li>• Encouragement of sustainable management of the countryside.</li> <li>• Enhancing bio-diversity.</li> <li>• Reducing damage to the environment.</li> <li>• Reduction of pollution.</li> <li>• Reduction in over-grazing in some areas.</li> <li>• Green tourism opportunities increased.</li> </ul>	<ul style="list-style-type: none"> <li>• Degradation of the landscape through intensification and abandonment of agricultural land.</li> <li>• Existing “environmental” schemes retained as token measure.</li> </ul>
<b>GROUP 3</b>	
	<ul style="list-style-type: none"> <li>• Reforms will lead to separation between farming and the environment.</li> </ul>

## **6. DECOUPLING**

### **In favour of full decoupling**

6.1 There was a large majority for fully decoupling with a minority “don’t know” view for reasons of insufficient information.

Reasons for decoupling included:

- *Simplification*
- *Less bureaucracy*
- *Greater market focus*
- *Increased diversification*
- *That this is the wish of farmers*
- *Releases entrepreneurial energy*
- *Greater flexibility to organise farm enterprise*

## **7. PARTIAL RECOUPLING**

7.1 There was a huge majority against recoupling with one view put forward for recoupling in the beef sector.

Reasons against recoupling included:

- *Necessity to move away from production based system*
- *Avoid complication*

7.2 The reason for recoupling would be to support Scotch Beef production.

## **8. NATIONAL ENVELOPE**

### **Mixed views**

8.1 The meeting as divided about the need for the use of National Envelopes with views recorded for, against and undecided.

8.2 Reasons against a National Envelope were expressed as:

- *Would distort the market*
- *An additional layer of bureaucracy*
- *Inadequate funding arising from this*
- *Poorly targeted.*

8.3 Reasons in support of a National Envelope for beef included:

- *To address short term issues arising from decoupling*
- *Benefits to the environment*
- *Targeted top up support*
- *To promote beef cattle on the hills on a regional basis.*

8.4 There was a little support for the introduction of National Envelopes for dairy and sheep.

## **9. NATIONAL MODULATION**

### **Small majority in favour of increased national modulation**

9.1 The meeting was split between those in favour and those against increased National Modulation with a small majority in favour of modulation.

9.2 Reasons in favour included:

- *Public demand for public benefit*
- *It would support diverse rural economic activity*
- *Additional monies would be raised through matched funding*
- *Would promote new creative business ideas*
- *Would bring new money into rural areas..*

9.3 Reasons against the introduction of National Modulation included:

- *Subsequent reduction of farm incomes especially in upland units*
- *The money that farmers receive is already spent in the rural economy.*

9.4 Caveats were:

- *Modulated funds should be regionally ring-fenced*
- *Even directly returned to farms.*

9.5 There was a majority view that the focus for spending should be on wider rural development measures, implemented through Land Management Contracts.

9.6 Other comments included:

- *Need for regional Rural Development measures for Scotland*
- *Scheme needs to aid the shift of support monies via the farms and farmers*
- *Local priorities need to be identified in each region by local stakeholder groups.*

## **10. SINGLE PAYMENTS**

### **In favour of a hybrid system**

10.1 There was strong support for a hybrid system phased in over a number of years to shift from historic to flat rate system, with one group supporting the historic basis as it avoids the pain of redistribution despite the problems of public perception.

10.2 Other comments included:

- *Why not tie the entitlement to the land instead of the person but still pay it on historic basis?*

## **11. CROSS COMPLIANCE**

11.1 Stakeholders were asked for their questions about cross compliance. There will be a separate consultation on proposals for cross compliance in the New Year.

11.2 Comments put forward about cross compliance included:

- *Needs to be more than just minimum standards*
- *Needs to reflect the diversity of land use – not just pasture.*