

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

<b>REGION:</b>	<b>BORDERS AND LOTHIAN</b>
ORGANISING BODIES	Southern Upland Partnership Scottish Borders Rural Resource Centre
FACILITATORS	Small Town and Rural Development Group
LOCATION	Carfrae Mill Hotel, Lauder
DATE	18 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 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>
John Elliot	Scottish Borders Council
Ann Fraser	British Horse Society Scotland
Jim Knight	Scottish Border Council
Willie McGhee	Borders Forest Trust
Quentin McLaren	Tweed Forum
Fi Martynoga	Borders Forest Trust
Chris Morrison	West Fenton Farm
John Sheldon	West Lothian Council
Kate Scott	National Farmers Union Scotland
Andy Tharme	Scottish Borders Council
Graham Wilson	Rural Resource Centre
<b>Second Session:</b>	
John Davidson	National Farmers Union Scotland
Andrew McBride	McBride Habitats
Garth Morrison	West Fenton Farm

James Pringle

Pete Ritchie

David Seed

Presenters and Facilitators

Grant Moir

Andrew Moxey

Alan Tuffs

Vera Steele

In attendance

Pip Tabor

Elly Hamilton

Torwoodlee and Buckholm Estates

Whitmuir Farm

Scottish Landowners Federation

SEERAD

SEERAD

STAR

STAR

Southern Upland Partnership

Southern Upland Partnership

### **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
GROUP 1	
<ul style="list-style-type: none"> <li>• Ability to reward good farming practice linked to cross compliance and legislation</li> <li>• Increase quality production</li> <li>• Market orientation</li> <li>• Co-ordination of farming and planning policies</li> <li>• Opportunity to integrate farming and forestry</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of young people entering farming</li> <li>• Increased intensive farming of good quality land</li> </ul>
GROUP 2	
<ul style="list-style-type: none"> <li>• Retaining jobs</li> <li>• New opportunities for land use</li> <li>• Production of quality (including organic) produce</li> <li>• Responding to the needs of the market</li> <li>• Farm diversification/innovation</li> <li>• Added value activities in food production/marketing</li> <li>• Tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Marginal land may be abandoned with consequent loss of manager and management skills</li> <li>• Public perception of farmers being paid without need to produce crop/stock</li> <li>• Isolation</li> </ul>
GROUP 3	
<ul style="list-style-type: none"> <li>• Opportunity to satisfy local markets</li> <li>• Stronger position in the marketplace</li> <li>• Reconnection of town and country</li> <li>• Ability to add value to local products through co-operation</li> <li>• Change to the “Aye/Been” mentality</li> <li>• Global market influences can create opportunities locally</li> <li>• Better information systems and support</li> </ul>	<ul style="list-style-type: none"> <li>• Unfair global competition</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>• A more diverse rural economy</li> <li>• Increased training/re-training opportunities</li> <li>• Increased opportunities for land taken out of farming</li> <li>• Development of tourism – trail development, enhanced access and their associated services</li> <li>• Quality conifer production</li> <li>• Multi-purpose forestry</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of primary and secondary rural jobs</li> <li>• Concern that public money paid to farmers will not filter down into the rural economy</li> </ul>
<b>GROUP 2</b>	
<ul style="list-style-type: none"> <li>• Jobs will be retained in the rural economy</li> <li>• Access related tourism</li> <li>• Integration across (primary?) sectors – ie farming and forestry.</li> <li>• Training and co-operation between different threads of the rural economy</li> <li>• Added value activities could be developed – eg furniture</li> <li>• Multi-purpose forestry (soft &amp; hardwoods)</li> <li>• Development of infrastructure and market to take advantage of increasing interest in biomass and biofuel.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of sense of community</li> <li>• Opportunities vs Planning policy</li> <li>• Skills gap</li> <li>• Bureaucracy / inertia / short-termism.</li> <li>• Schemes for rural development have to be well targeted and inclusive</li> <li>• Poor transport infrastructure</li> </ul>
<b>GROUP 3</b>	
<ul style="list-style-type: none"> <li>• Broader range of uses through use of RDR</li> <li>• Diversification into growing area of tourism and related leisure activities.</li> <li>• Reform of planning and development systems to encourage new opportunities and sources of employment leading to new jobs, new people thereby re-vitalising the community and rural economy.</li> <li>• Renewed rural infrastructure – eg transport and broadband</li> <li>• Streamline/simplify systems for RDR</li> <li>• Development of training in rural skills</li> <li>• Broader employment base</li> </ul>	<ul style="list-style-type: none"> <li>• If farming operations become non-viable, farmers will not be able to manage land to the benefit of the environment.</li> <li>• Depopulation in the rural areas</li> <li>• Change of system will not allow time for adaptation resulting in loss of people and land management skills.</li> <li>• The modulated money might disappear from agriculture to rural infrastructure. However this is not likely.</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>• Extensification of farming practices</li> <li>• Improved environment opportunity</li> <li>• Custodians of Change for biodiversity</li> <li>• Diffuse pollution</li> <li>• Landscape</li> </ul>	<ul style="list-style-type: none"> <li>• Intensification of farming practices</li> <li>• Threat of land abandonment may weaken resolve of setting cross compliance regulations at a high level</li> <li>• Equally the bar for cross compliance may be pitched too high farmers!</li> </ul>
<b>GROUP 2</b>	
<ul style="list-style-type: none"> <li>• More land under environmental management</li> <li>• Opportunity to develop and increase number of RDR measures for long-term planning</li> <li>• Slow evolution of forestry patterns – interest from farmers</li> <li>• Farmers will be best placed to bid for RSS – hope for increased funding</li> </ul>	<ul style="list-style-type: none"> <li>• Land may be abandoned</li> <li>• Short termism of RDR measures</li> <li>• Isolation resulting from neighbouring land not being managed environmentally</li> </ul>
<b>GROUP 3</b>	
<ul style="list-style-type: none"> <li>• Existing systems will be streamlined for environmental improvements</li> <li>• New sources of employment</li> <li>• Farmers working together can set up schemes for increased employment – eg. habitat managers (cf McRobert Trust in Aboyne)</li> <li>• Better use of renewable energy can lead to more opportunities</li> <li>• Bio-fuels</li> <li>• More support and advice available</li> </ul>	

## **6. DECOUPLING**

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

6.1 There was a large and clear majority in favour of fully decoupling.

Reasons included:

- *Freedom to farm*
- *Better market orientation*
- *Simplification / less paperwork*
- *Opportunity to produce quality rather than quantity*
- *Morally right*

6.2 There was a strong voice against decoupling because it might seriously hinder the development of forestry- based schemes.

## **7. PARTIAL RECOUPLING**

7.1 There was a huge majority against any form of recoupling.

Reasons given included

- *No obvious benefit*
- *Additional administration*
- *Would “cloud” the market*

7.2 There was one voice for recoupling the beef sector to support beef production in the uplands.

## **8. NATIONAL ENVELOPE**

### **Mixed views**

8.1 The meeting was split between a “yes” for beef and “no”. The yes vote was moderated by the realisation that modulation would probably be a better option to counteract the difficulties of sustaining production within the various sectors.

8.2 One group felt that more information was required before it could reach a conclusion.

## **9. NATIONAL MODULATION**

### **In favour of increased national modulation**

9.1 There was a huge majority in favour of increased National Modulation.

Reasons in favour included:

- *Money returned would benefit the whole of the rural economy*
- *Additional Treasury funds would be accessed*
- *Need to promote change in the rural economy and high rates of modulation would support this*
- *Public acceptability through public benefit*
- *Opportunity for new entrants scheme.*

9.2 There was one view against modulation but this was qualified by the comment that if it is introduced it should be set low to aid fair competition with other EU countries.

9.3 The majority view was that modulated funds should be used for wider rural development measures administered through Land Management Contracts. Reasons for this focused on the fact that it would lead to positive management.

9.4 Other comments included

- *Funds required to stimulate sustainable rural development*
- *Easier for all to participate*
- *Need to remove the competitive element of RSS*
- *Flexibility with underspends required*
- *Would it be possible to ring-fence this to regions or even individual farms?*

## **10 SINGLE PAYMENTS**

### **Mixed views on payments**

10.1 The meeting was split on this issue with one group unable to reach a conclusion. Preference for the historic basis included the reason that the entitlements have a tradeable value and can be used to assist retirement packages for farmers.

10.2 There was some support for a hybrid, transitional system over a period of years and that it should be adjusted to take account of land types.

10.3 Other comments included:

- *Need to challenge the ruling about forestry not being an appropriate land use*
- *Systems need to allow for withdrawal of payment where there is no longer a viable market for production*

## **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 about cross compliance included:

- *The need to take local priorities into account as well as national ones*
- *Need to include “woodland pasture”*
- *Measures needed for hedge cutting and trees in hedgerows.*