

Rhoda Grant MSP

Speech in the Scottish Parliament

26 February 2010

Inquiry into Future Support for Agricultural in Scotland

I welcome the debate.

It is right that we think about what happens after 2013.

Subsidies have protected our farmers and crofters to the point at which they are now dependent on them.

They have skewed the industry's direction, and in many cases that has been detrimental.

It was not so long ago that overgrazing was a big problem in the upland areas of Scotland, because of the headage payment.

Then, the LFASS was moved to an area-based payment, which gave big landlords money for nothing, whereas those in need received even less.

Then came the single farm payment, which was based on historical payments—and stocking levels have collapsed in the Highlands and Islands.

Tinkering with the system and trying to make it easy for bureaucrats to administer simply does not work.

I am concerned that Brian Pack talks about a simplified system.

We need simplified systems for the people who farm, but we also need to ensure that the systems are complex enough not to skew the direction of farming.

Back when single farm payments were first discussed, they were linked to single farm contracts.

My understanding of the thinking behind that at the time was that people would be able to change the way in which they farmed, moving away from maximising headage to attract subsidy.

However, the simple decoupling has led to a huge decline in stocking levels, which has now reached such a point that the knock-on effects will be hard to deal with or redress.

Rural communities are interdependent.

One job lost on a farm or croft means that one family will lack spending power in the local shops.

They might even need to move away, leaving the school roll too small to sustain.

How do local auction marts work without throughput?

How will the supply chain work, at a time when we are trying to promote local food?

We need local slaughter facilities, but those will be much more difficult to pursue when numbers fall.

The situation not only affects the viability of fragile rural communities, but has the same catastrophic effect on our environment that overgrazing had.

When communities are no longer viable, who will look after the environment?

We must ensure that whatever scheme is put in place is underpinned by public money for public goods.

To my mind, there are a number of public goods that could underpin a scheme: food production, environmental benefit, climate change targets, the creation of sustainable rural communities and job creation.

For any scheme, capping must be determined in line with the number of jobs that are provided.

Ultimately, people need livelihoods, and the industry must be economically viable.

It needs to be based on quality and environmental sensitivity.

Had single farm payments been married with single farm contracts, which can take public goods into account, they could have worked.

Challenges arise when the bureaucrats cannot cope.

Individual single farm contracts would need to be drawn up, taking into account the land and the circumstances of each unit.

The overall public goods provided—such as environmental benefits and food production—must also be gauged.

Our farming industry is interdependent, too.

Those who farm the poorest-quality ground in fragile rural areas are at the mercy of those who buy and finish their stock, as they are unable to finish the stock themselves.

That means that upland farmers need to co-exist with a stable lowland farming industry, but it does not mean that both should be treated in the same way, as they face different challenges.

It is wrong that 85 per cent of Scotland's land is graded as less favoured.

The support must go to those who farm and croft in areas where doing so would otherwise be unviable.

We need farming in those areas to provide local food and environmental and social benefits.

Those are public goods, and they must be paid for if we wish to protect those areas.

The supply chain is too long to make farmers and crofters in the most fragile areas market orientated.

Only by helping them to provide for local or specialist markets will the supply chain be shortened.

We need public bodies to purchase locally to make that work.

The Parliament is scrutinising the Crofting Reform (Scotland) Bill, which, in my opinion, does nothing at all to help crofting.

What will save crofting is ensuring that the schemes that are in place now provide support to crofters and their communities.

The bill piles on further costs through bureaucracy while doing nothing to make crofting more viable.

To make all agriculture in fragile areas work, we must consider all schemes in the round, agree on what we want from them and then draw up complementary schemes, along with an overarching policy for rural areas.

Farming and crofting form but one element of the rural economy, and policies in other areas should not adversely affect what we are trying to do in agriculture.

We also need understanding in Edinburgh of the restrictions in rural communities.

The idea that applications for funding should be made online, when the areas that are most in need of funding have no broadband, is bizarre.

Such a suggestion shows an extreme lack of knowledge and understanding of the areas concerned.

If we are to get over that lack of knowledge, we must ensure that rural policy decision makers are rooted in their communities and are not just faceless urban bureaucrats.