

CROSS-PARTY GROUP on CROFTING
Meeting 14 of Parliamentary Session 5
Scottish Parliament, room Q.1.03
Wednesday 20 June 2018 at 17.30

MINUTES

Present:

Tavish Scott MSP ⁱ (Convener)	Jonnie Hall NFUS
Patrick Krause SCF (Secretary)	John Brownlee SG
Sandy Murray NFUS	Billy Neilson CC
Laura Sinclair NFUS	Martin Kennedy NFUS
Lucy Sumsion NFUS	Lorna Scott NTS
Michael O'Neil SG	Brendan O'Hanrahan SCF
Michael Nugent SG	Siobhan MacDonald SAC
Donna Smith CC	Rhona Elrick RoS
David Finlay CC	Richard Frew RoS
Vicki Swales RSPB	Eleanor Garty WTS
Brian Inkster CLG	Steven Thomson SRUC
Russell Smith SCF	Kate Fry Office of Rhoda Grant MSP
Bill Barron CC	Rhoda Grant MSP
James McPherson SCF	Katy Dickson SLE
Emma Harper MSP	Maria delaTorre SNH
Gail Ross MSP	Daniel McCroskrie Office of Donald Cameron MSP
Henry Graham Agric Champ	

1. Welcome and Apologies

The convener welcomed everyone. Apologies were received from:

Fiona Mandeville SCF; Kate Forbes MSP; Neil Ross HIE; John Scott MSP; Rosemary Champion SHS; Janette Sutherland SAC; Ross McLaren SCRG; Jamie McIntyre WCP; Donald Crichton CnES; Donald Meek crofter; Stephen Sandham SG; Rod Mackenzie CC; James Scott CC; Liam MacArthur MSP; Jamie Halcro Johnston MSP; Padruig Morrison SCFYC; Murdo MacKay CnES; Fiona MacKenzie UHI; Donald Cameron MSP; John Finnie MSP; Angus MacDonald MSP; Graeme Dey MSP; Maree Todd MSP; Donald MacKinnon SCFYC; Robin Haig SCFYC; Wendy Kenyon SPICe; Kevin Patrick LANTRA; Gordon Jackson SG; Edward Mountain MSP.

2. AGM – appointment of office-bearers

It was agreed that Rhoda Grant MSP, Kate Forbes MSP and Tavish Scott MSP would continue to convene the group and that Patrick Krause would continue as secretariat.

3. Minutes of previous meeting

The minutes of the previous meeting held on 28 March were agreed.

4. Matters Arising

None

5. Crofting Support

Henry Graham, Agriculture Champion: 'A Future Strategy for Scottish Agriculture'.

The agricultural champions were established 18 months with the remit to advise Scottish Government on the development of a strategy for the agriculture sector.

They cover four areas: public value, sustainability, food & drink, and education.

The four champions are: Marion MacCormick (public value); John Kinnaird (sustainability); Archie Gibson (food & drink); Henry Graham (education).

Following feedback to an interim discussion document, a [Final Report](#) was released at the end of May. Public value is a cross-cutting, core theme; we recognise that we need public support.

The recommendations in the report are listed under the themes that were used in the interim discussion document: public value; continuity; transformational change; natural capital; production efficiency; careers; supply chain.

On examination it is clear that agricultural production has stood still for the last few years. To change this we will need a mind-set change.

Discussion

Question: what are the next steps?

Answer: the advice was asked for by Scottish government, now needs to be implemented. Too many reports get ignored.

Comment: pilot schemes are a good idea, targeting by specific regions is necessary and taking an integrated land management approach is sensible. Saying that mind-set change is necessary is a bit condescending - it seems to imply that lower productivity is simply a case of choice whereas it can be that producers are constrained by land type, climate, topography, distance from market and so on.

Answer: point taken. We are encouraging new entrants, into crofting as well as farming, by releasing publicly owned land. So far we have helped 40 new entrants in the last two years by creating starter farms. This could be a great opportunity to get a new crofts back into work. We would like to see demonstrations of what's possible on Scottish government estates. We are due for huge changes and it is in this context that I say mind-set change is essential.

Question: but what do I say to a crofter, "change your mind-set"? Crofters are changing and adapting and looking at ways they can do things better all the time, they have to because of the challenging circumstances they exist in. Crofters are limited by what they can do due to their environment. If you think that there are better ways of doing things we would need examples.

Question: the national Council of rural advisers is very quiet on many of the issues you raise. For example integrated land management?

Answer: there is some being done now, but some consultants need a change in mind-set as some are a bit conservative. We need to challenge assumptions.

Steven Thomson, SRUC: 'Post-Brexit Implications for Agriculture & Associated Land Use in the Highlands and Islands'. Steven's slides have been circulated.

I would reiterate that previous comment regarding consultants and the fact that production in many areas is constrained. The [Report](#) we did for the Highlands and Islands Agricultural Support Group has plenty of evidence supporting this.

One policy to cover such diverse areas as are found in the Highlands and Islands doesn't work. The range of activity is very limited in many areas.

There is need to support *maintaining* natural capital. We need to move away from the way we use the WTO model of income forgone and additional costs. In the two pillar system the motor, less favoured areas, depend more on pillar two. Yet we still pay historic payments, giving more on better land.

All the ancillary services essential to the rural economy depend on the foundation of agricultural production; take the producers out and it all collapses. We need to ask some fundamental questions such as how we are justifying farm payments. If you look at the local situation, a high proportion of the population is involved in land-based activity, much higher than the national average.

Looking at the European trade situation, protectionism would benefit our dairy and beef sectors but would be bad for the sheep sector, which is a net exporter.

Suggestions:

Retain some pillar 1 type direct support but a cap on payments may be necessary.

Public value is essential; what do people value? This would point to pillar 2 being more important.

Payments need to link with other policy measures.

There needs to be clarity in objectives, prioritisation of policy; what are we trying to achieve?

WTO has strict rules with which we will have to comply for example regarding trade distortions, costs incurred, income forgone.

The UK will need to have a common framework, whilst the nations will need tailored support measures.

The Highlands and islands have specific strengths and contributions, and constraints.

The immediate future will test government commitment to rural areas.

Jonnie Hall, NFUS: 'Steps to Change: a new agricultural policy for Scotland'.

The Agriculture champions laid down challenges; NFUS echoes this - Brexit may be a catalyst but we need to move on anyway.

We need to look at all that farming and crofting do, as well as food production. All that hangs off this; some negative but mostly positive externalities.

We need consensus on what is needed in future; there still seems to be lack of clarity.

One thing that there seems to be consensus on is that budgets will decrease.

The diversity of areas in Scotland make support more difficult.

We are two years down the Brexit track and the process of mind-set change referred to has started, producers understand that change has to come. But we need to make it manageable, not a cliff edge. Scottish government have just released the consultation document "Stability and Simplicity" - we are crying out for stability and certainty, but also change; an oxymoron perhaps.

NFUS have produced a paper "[Steps to Change](#)" - the fourth in a series of "change" documents. It highlights that there is a need for a significant step away from the current situation.

We suggest getting rid of two pillar system and replace it with a tiered approach.

There is a significant need for support, especially in marginal areas, and extensive systems. Support needs to enable productivity (not necessarily increasing production).

We need to recognise public interest / public value.

We need to move away from land area-based support, it is too blunt and doesn't recognise market benefit or public interest of farmers and crofters' production

There is room for incremental change everywhere.

Consensus is building; NFUS is not sitting still or trying to keep the status quo, is instigating change

Discussion

Question: do you envisage different support structures in England, Wales, Northern Ireland and Scotland?

Answer: absolutely; there will be a need to protect UK market but differentiated agricultural policy across the UK.

Comment: support to common grazings is not working. Crofting has not been represented in the NFUS document enough, the differences highlighted by Stephen not really brought out in "steps to change". It is a bit broad-brush, one size fits all. LFAs don't really appear.

Answer: LFAs are very important to NFUS. We do need and welcome feedback on the document. We are trying to not skew to any particular area, the support mechanism can work across Scotland and we have to be mindful to not differentiate too much, too many lines on maps, too complicated to deliver.

Question: how many members does NFUS have?

Answer: we have 9000 members, 800 of which are crofting. Our membership spread is quite diverse; in some areas 90% of farmers and crofters are members.

Comment: we do not seem to have a clear land use agenda in Scotland and it is much needed.

Bill Barron, CC: update on the study 'How the subsidy system currently supports crofting and proposals on how it might do so post-Brexit'.

CC has commissioned a study on 'support to crofting'; the study is complete and the report will be written by the end of July. The intention is that will be ready for a response from the commission to the "stability and simplicity" consultation. This is done under the remit of the commission to promote the interests of crofting and to advise Scottish government on crofting matters.

The study is taking two streams, what is being provided in support to crofting now and what could work better. The focus is on the reality not on what we think is happening. It is important to be clear about what crofting is contributing, and what is the benefit of the crofting system, such as food production, population retention, environmental benefits, and so on.

Crofting is vulnerable and marginal, perhaps more than any sector it needs support; more carrots, not only the regulatory stick.

Can crofting survive with less support? The study looks at this, and how.

An important question to ponder is should there be a support system just for crofters, especially as crofting has specific regulatory constraints? Any new system has to work.

Discussion:

Comment: It is very useful that the commission is doing this study.

Comment: We need to get away from using the word 'subsidy'; it is payment for delivery of specific outcomes; we need to change public perception.

Russell Smith, SCF: 'Crofting Agriculture post-Brexit'. Russell's paper has been circulated.

SCF produced its paper on crofting agriculture post-Brexit last September and our policy position agrees with what others have said today; yet we still seem to have no further clarity from government on what the future holds.

SCF recently carried out a survey of its members asking what their main concerns are; top of the list is how economic viability will be affected by Brexit.

It would help to have a timescale to changes, for example how the government computer system will cope with changes: mind what happened in the current phase of CAP.

Support will be necessary particularly in marginal areas, if we want to see the benefits of crofting continued. We agree that there should be an emphasis on activity but the definition of

activity is not in production quantities but rather in how actively land is used to its capability; even extensive areas with very low stocking densities are still contributing.

All support policy needs to be "croft-proofed", for example common grazings always seem to be an afterthought to the design of schemes.

Support payments will need to be capped and degressive.

Scotland needs the power to design its own schemes, we cannot have an England scheme imposed upon the UK.

Support to constrained areas (LFASS/ANC) should recognise distance from market as a valid constraint.

Scotland needs to have its fair share of the UK support budget, not based on the Barnett formula.

Support the new entrants and young people; this is not being emphasised enough. They are the future

We need to break out of traditional constraints and welcome diversifications, for example woodland crofts.

We need crofting specific schemes for example CAGS and CHGS.

Scotland markets itself on such things as high animal welfare, clean environment, provenance and so on; this will be more important than ever.

In summary, we need to see progress in adaptation to the new agricultural and rural development support landscape.

Discussion

Comment: all very interesting speakers; are crofters willing to change?

Answer: crofters are always having to take decisions to change and adapt, that is core to crofting.

Comment: there needs to be discussions on how support budgets are used, specifically what outcomes are desired. We have had the CAP for 45 years, the luxury of ring fenced support mainly to agriculture. There needs to be a move to the public value argument.

Comment: let's ask what the public do value; we need to poll the public.

Comment: there seems to be emphasis on changing the mind-set of producers; politicians need to recalibrate as much as any.

6. Crofting Law and Administration

6.1. Legislation

Michael O'Neill, SG Head of Crofting Bill Team, gave an update on crofting law reform.

Crofting legislation reform is being taken forward in two phases. The crofting bill group has met three times and has been mainly discussing phase 1 i.e. the bill and will be starting to discuss phase 2 shortly. The papers of the meetings can be found on the Scottish government website. This is a Parliamentary Bill and we will need to come back to this at the cross-party group on crofting to discuss regularly as we are aiming for consensus.

6.2. Administration

Bill Barron gave an update on "what's going on at the Commission" highlighting:

- regular meetings of the residency/land-use team;
- regular meetings of the common grazings team;
- a priority is to improve communications;
- CC is dealing with compliance of GDPR;

Next week CC will meet with Cabinet Secretary Ewing to discuss the promotional role of the commission.

Discussion:

Comment: the new email addresses are unintelligible, they make it very difficult to understand who you are contacting or trying to contact.

Answer: the purpose is to improve our service; the post stays constant even if the person changes.

7. AOB

Rural Leadership Programme: recruitment drive; please encourage people to apply to participate. There are only 15 places for Highland and Island area.

Comment: we need more places and we need more support; why does it cost more to do the leadership course in Highlands than in lowlands? On top of higher fees it costs more to travel in the Highlands and especially from the islands; can HIE make a bursary for the remoter areas?

Comment: HIE seem to want additional criteria, for example prospective participants must come from a fragile area, must have a business that can be account managed, must provide a significant business proposal. Is this too high a bar?

Action: a letter to be sent to HIE asking for explanations on the above queries; Siobhan to draft letter and send to Sec.

8. DONM.

21 September, Inverness

i **Acronyms:** AECS Agri-Environment Climate Scheme; AF Assynt Foundation; CAB Citizens Advice Bureau; CBS Community Broadband Scotland; CC Crofting Commission; CAGS Crofting Agricultural Grant Scheme; CCx Crofting Connections; CFS Care Farming Scotland; CHGS Croft House Grant Scheme; CLG Crofting Law Group; CLS Community Land Scotland; CnES Comhairle nan Eilean Siar; CRSF Crofting Register Stakeholder Forum; CWA Community Woodlands Association; DEFRA UK Gov Dept. for Environment, Food and Rural Affairs; EC European Commission; ECCLRC Scottish Parliament Environment, Climate Change and Land Reform Committee; EFNCP European Forum for Nature Conservation & Pastoralism; FCS Forestry Commission Scotland; FFRWG Freight Fares Review Working Group; HIE Highlands & Islands Enterprise; HSCHT Highland Small Communities Housing Trust; JHI James Hutton Institute; LANTRA Land-based & Environmental Industries Training; MSP Member of the Scottish Parliament; NDPC National Development Plan for Crofting; NGMRG National Goose Management Review Group; NISR Newcastle Institute for Social Renewal; NFUS National Farmers Union Scotland; NS Nourish Scotland; NTS National Trust for Scotland; RECC Scottish Parliament Rural Economy and Connectivity Committee; RoS Registers of Scotland; RSABI Royal Scottish Agricultural Benevolent Institution; RSPBS Royal Society for the Protection of Birds Scotland; SAA Scottish Assessors Association; SAC consulting arm of SRUC; SAS Soil Association Scotland; SCF Scottish Crofting Federation; SCFYC SCF Young Crofters; SCRG Scottish Churches Rural Group; SCVO Scottish Council for Voluntary Organisations; SFT Sustainable Food Trust; SG Scottish Government; SGCLSG Scottish Government Crofting Legislation Stakeholders Group; SGCSF Scottish Government Crofting Stakeholder Forum; SGRPID (RPID) Scottish Government Rural Payments and Inspections Directorate; SLE Scottish Land & Estates; SNH Scottish Natural Heritage; SPICe Scottish Parliament Information Centre; SRA Scottish Rural Action; SRN Scottish Rural Network; SRP Scottish Rural Parliament; SRUC Scottish Rural (University) College; SHS Small-Holder Scotland; THC The Highland Council; UHI University of Highlands and Islands; WCP Woodland Crofts Partnership; WTS Woodland Trust Scotland.