

S E E R A D

LAND MANAGEMENT CONTRACTS MENU SCHEME

Consultation Paper

SUBMISSION BY

SCOTTISH ESTATES BUSINESS GROUP

1 September 2004

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1. GENERAL

- 1.1 SEBG represents a group of progressive land-based estates with significant agricultural and rural business interests. It aims to promote a modern business approach in the management of Scotland's land resource in ways which deliver social, economic and environmental benefits.
- 1.2 SEBG supports the principle of the three tier Land Management Contract model as a mechanism for stimulating farm-based rural development in a way which will assist farmers in their transition from production-driven support to a market-oriented industry. SEBG therefore welcomes the adoption of the LMC model by SEERAD.
- 1.3 The proposals for Tier II support contained in the consultation paper on the LMC Menu Scheme have been considered by SEBG and we have responded to the specific questions raised. The Group favours early introduction of the package of measures in 2005 to tie in with the introduction of the Single Farm Payment and the first stage of modulation.
- 1.4 It will be important to ensure a successful take-up of the measures proposed to achieve the socio-economic and agri-environment benefits sought. SEBG is concerned that the level of payments proposed for certain practices will be insufficient incentive to encourage widespread participation in the scheme. As an example maintaining an ungrazed field margin will require temporary stock fencing which could outweigh the annual payment of £138/Ha. This compares with the maintenance of grass margins under the Rural Stewardship Scheme of £500/Ha. To compensate for the loss of grazing and additional cost of fencing a similar rate would be recommended under the LMC Scheme.
- 1.5 Limiting maintenance of paths to a maximum of 250m would seem to run counter with the socio-economic objective of encouraging greater public access. SEBG would therefore recommend no limit be applied to access maintenance.

- 1.6 The proposal to offer £2/Ha for outwintering cattle is also considered by SEBG to conflict with good environmental practice. Protection of habitats and other conservation interests is essential and there exists a significant risk of environmental damage were farmers to be given an incentive for outwintering cattle. It may also simply reward farmers for something they were doing anyway. SEBG recommends therefore that this incentive is withdrawn.
- 1.7 The package of measures seems skewed in favour of lowground farms. SEBG would support a broader menu of options which will offer incentives for hill farmers. Options to be considered could include moorland management, control of bracken, management of archaeological sites and in-wintering of cattle.

2. RESPONSES TO SPECIFIC QUESTIONS

- 2.1 *Q.1 Is the range of proposed measures about right?*

As outlined above SEBG recommends that as wide a range of measures are offered as possible to encourage broad participation in the scheme. SEBG believes that the current list of measures is too narrow and that additional options should be included, particularly for upland areas.

- 2.2 *Q.2 Should producers have a free hand in choosing from the menu, or should there be a mechanism for ensuring that producers adopt a spread of measures?*

SEBG would recommend that applicants are given flexibility in choosing from the options available. Provided that the incentives offered are attractive across the range of measures SEBG believes that there should be overall support for the spread of measures. SEBG would be concerned that some producers may be discouraged from participating in the scheme if the rules governing selection of the measures are too rigid. This would be contrary to the rural development objectives of the scheme.

2.3 Q.3 *What is the best way of implementing a hectarage limit at farm level?*

As a financial limit is not likely to be permissible under RDR rules the hectarage limit should be set to avoid penalising extensive upland producers. SEBG would suggest that a simple sliding scale should be applied with payment rates tapering down as the number of hectares increases. However there should be a clear distinction drawn between land on the LFA and non-LFA land.

2.4 Q.4 *Should we introduce the Scheme in 2005 or delay until 2006?*

SEBG recommends early introduction of the Scheme in 2005.

2.5 Q.5 *Do you have comments on how this further integration work should be taken forward?*

As SEERAD recognises, the integration of the LMC tiers will be important to simplify the operation of the LMC Scheme and to ensure clear understanding and active participation in the Tier II and Tier III elements. SEBG strongly favours the integration of all rural development schemes within a single framework thereby minimising bureaucracy and removing barriers to development. SEBG would recommend that industry stakeholders are engaged in this exercise and would be willing to contribute where possible to this process.