

S E E R A D

DRAFT RURAL DEVELOPMENT REGULATION

Consultation Paper: AXIS 2

SUBMISSION BY

SCOTTISH ESTATES BUSINESS GROUP

20th October 2004

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DRAFT RURAL DEVELOPMENT REGULATION: AXIS 2

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1. Background

- 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. The group seeks to secure a sustainable and prosperous future for rural areas.
- 1.2 Estates are proven business models that assist the development of smaller rural businesses, and landowners and estates have a vital role to play in the ongoing and future development and prosperity of Scotland.
- 1.3 SEBG is committed to rural economies and its members work hard across Scotland to stimulate enterprise and economic development, whether through small localised initiatives, or through larger schemes such as the Group's recent conference with Scottish Enterprise and Highlands and Islands Enterprise on providing broadband to rural areas.

2. Overview – The Axis Approach

Q. Is the approach and allocation of measures to strategic axes relevant and appropriate?

Whilst SEBG welcomes the prospect of greater simplicity of implementation of measures under which Axis support may be available, we suggest that the prescription of 34 measures under which support will be available is not as flexible as it might be. The identification of priorities for support would be a more flexible alternative that would be better able to accommodate innovative and appropriate approaches to developments at the regional or local level. It is important that local circumstances, innovation and market opportunity can be taken account of when adjudicating approaches for support.

3. Axis 2 – Comment

SEBG welcomes the inclusion of agri-environment schemes as a compulsory component as a positive and constructive approach which signals how rural

We also applaud, in particular, the proposal to introduce an option to support those farmers who adopt standards of animal husbandry which go beyond the mandatory standards. Whilst the UK has often led Europe in the standards it applies to the rearing of livestock, the extra costs involved in the imposition of standards on UK producers not applied elsewhere in Europe has put domestic production at a competitive disadvantage. We would hope that the proposal would help moves towards a level playing field in animal husbandry.

4. Axis 2 - Questions

Q. Are the proposals for redefining LFAs appropriate?

Q. What parameters should we consider for a future LFA Support Scheme?

SEBG welcomes recognition by the Commission that payments in areas with handicaps should continue to contribute to the maintenance and promotion of sustainable farming systems. We are extremely concerned, however, that the Commission proposes to redefine current definitions.

Currently 85% of Scotland is designated LFA, and this support has a key role to play in ensuring the continued agricultural/land management activity which underpins the sustainability of rural communities across Scotland. Difficulties in maintaining agricultural activity can be caused by factors other than low soil productivity or poor climatic conditions. Any move to restrict support to a new delimitation based only on these factors would necessarily threaten agri-environmental activity and the future of many of Scotland's rural or remote communities which the Rural Development Regulation is intended to protect.

It is vital that current LFA support continues to be directed at Scotland's areas of natural disadvantage, and that Scotland's LFA budget is maintained at least at current levels. Any reduction in support to Scotland's LFA areas could have a disastrous impact and would only exacerbate difficulties resulting from the reducing resource of the Single Farm Payment.

Q. Do the proposed scope of forestry measures and the increased integration with measures to support agriculture and rural development meet the needs of Scotland's forestry sector?

SEBG welcomes the recognition of the important role played in land management by the sustainable use of forestry land and support the continuation of current measures. Forestry has an important part to play in Scotland's rural economy, so it is fitting that this sector should be more fully integrated in support measures generally.