

News from ...



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Speech in the Scottish Parliament

Common Agricultural Policy

At times, the pace of change in the common agricultural policy is positively glacial, but we also have flurries of activity, as we have with the health check.

The health check does not appear to be hugely controversial but, at the European level, the common agricultural policy is still controversial.

As Karen Gillon said, the policy consumes about 40 per cent of the EU's budget and its successive interventions over the years have created a hugely distorted marketplace, as we all understand.

The countries with the largest agricultural sectors gain the most from the policy.

Export subsidies can affect and damage developing countries, about which we are all concerned.

As Karen Gillon said, the big long-term policy question is whether the CAP is sustainable when it has such costs, affects the third world and creates market distortions.

The EU believes that the policy is unsustainable in the long term, which is why the common agricultural policy reform programme is in place.

The reforms are designed to reduce direct payments to producers.

Whatever the big long-term policy questions are, there is no doubt that the common agricultural policy is here to stay in the short to medium term and in the foreseeable future.

In that context, the health check is important to adjusting the programme to make it more fitting for immediate future years.

As members have said, the CAP is hugely important to Scotland.

It helps to keep people in the countryside, to develop the rural economy and to manage the countryside, with an emphasis on environmental questions. It is also the basis of our food production.

As I said, the health check appears to be largely uncontroversial, although clear differences are emerging between agricultural sectors.

NFU Scotland takes particular positions, not all of which the SRPBA shares.

Crofters have different positions on some issues from the NFUS and the SRPBA. RSPB Scotland and other environmental organisations also have distinct policies in the framework of the health check.

That is why it is important for the minister to listen carefully to all the views before formulating his response to the UK Government and the EU to inform the outcomes of the discussion.

As members have said, the milk quota proposals have attracted little contention, so I will not dwell on them.

There is also little contention about the changes to the set-aside arrangements, although, as John Scott noted, RSPB Scotland and other environmental organisations have highlighted concerns about the loss of habitat and the need for mitigating habitat measures in the Scottish rural development programme.

In a briefing from the NFUS earlier this week, I was told that, notwithstanding the changes to the set-aside arrangements, perhaps only 50 per cent of previously set-aside land is coming back into production this year, so the situation is not all bad from an environmental point of view.

Consensus is broad about the national envelope and I welcome what the minister said about keeping that flexible and open to more options.

As Karen Gillon said, we set out our position on modulation when the SRDP was debated.

As members have said, the Commission proposes progressive modulation.

The case for that is unproven.

The NFUS has pointed out well that a technical device simply to split farming units could be used to go under the levels.

What would be the point of that?

None at all—it would diminish efficiency and cost jobs.

Much more debate is needed about progressive modulation, as the minister acknowledged.

The case for historic payments is less and less clear as time goes on.

We must move away from that system and towards a system of flat-rate and area-based payments, which are supported by several sectors, including the environmental sector and crofters, if not by the potential losers.

However, even the SRPBA has accepted the need for change in historic payments.

As members said two weeks ago, the Shucksmith report on crofting made many recommendations about agricultural payments.

It said that moving from historic to area-based payments was important and argued for more modulation in rural development funding.

It supported extensive use of the national envelope to address disadvantages for crofters and possibly to support the bull hire scheme.

I hope that the rural development programme might also help with the costs of sheep tagging, which is causing great controversy and worry in the crofting communities.

Shucksmith supported new measures for new entrants.

The report called for changes in the less favoured area support scheme and an increase in the minimum payment rate under that scheme.

It sought changes to the rural development programme, recommended linking payments more directly to public goods and measuring public goods and argued for a mountain area classification.

The report also called for more use of the article 69 provisions, which John Scott mentioned and which have been important.

Tavish Scott has talked about that.

The Shucksmith report highlighted the importance of retaining and extending the crofting counties agricultural grants scheme, to improve provision for new entrants and to support other enterprises that are land based but not agricultural.

The report also pointed to the success of the LEADER programme and the importance of its principles, which could be pursued under the rural development programme, and to the success of initiative at the edge, which my Labour colleague Brian Wilson started.

I know that SNP front benchers will be happy to support the continuation of any initiative that he successfully established—I see some heads moving but not nodding.

The Shucksmith report also highlighted housing grants for crofting, which remain important.

In examining responses to the consultation, I hope that the minister will consider what the Shucksmith report recommends and what he can act on now to help crofters and to represent their interests in the health check changes.

Ends

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