

INDEPENDENT REVIEW OF THE INTRA-UK ALLOCATION OF DOMESTIC FARM SUPPORT FUNDING

STAKEHOLDER SURVEY

Please tick this box if you wish for your responses to be anonymized

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Please state which part of the UK you are representing	<input type="checkbox"/> England <input checked="" type="checkbox"/> Scotland <input type="checkbox"/> Wales <input type="checkbox"/> Northern Ireland <input type="checkbox"/> Whole of the UK

QUESTION 1

Between 2014 and 2020, convergence funding was allocated to England, Wales, Scotland and Northern Ireland in the same way as the rest of the Common Agricultural Policy budget. Not everyone supported this decision, as explained in more detail in the attached paper.

The review panel will form recommendations on how convergence funding should be allocated to each part of the UK between 2020 and 2022.

Should the existing proportion of support for each country of the UK be maintained at present levels until 2022?

Yes No

If not, what changes do you think should be made and why?

Please explain your answer.

It is disappointing that this review will not be considering the historical allocation of convergence funding. However, fair funding allocation in the future must seek to repair the damage. It is important to remember that the convergence uplift was only available as a result of Scotland having a direct payment per hectare rate that was 48% of the EU average.

Scotland currently receives 17% of funding yet it makes up 34% of the UK's agricultural land. In comparison Northern Ireland receives 9% of funding with 6% of UK agricultural land, Wales 9% of funding with 10% of UK agricultural land and England 65% of funding and 51% of UK agricultural land. This disproportionate method of allocating funding is what resulted in convergence funding being rewarded to the UK. In 2013 the area payment rate in Scotland was just 48% of the EU average with Northern Ireland at 126%, England 99% and Wales 92%.

If funding were to be allocated more in line with the amount of land used for agriculture both Scotland and Ireland would no longer be at opposite extreme ends of the funding spectrum and Wales and England would be largely unaffected. In 2020-2022 the appropriate allocation of funding would enable Scottish land-based business to invest and ready themselves for the future beyond CAP.

For the period in question, 2020-2022 we would like to see a commitment to ring-fence the agricultural budget that comes to Scotland, and for the total budget be allocated fairly throughout the UK. For Scotland this would provide the capacity to produce food, contribute to climate change and biodiversity targets, deliver growth potential in the food and drink sector and improve resilience in land-based businesses.

QUESTION 2

Should the panel take into account any issues specific to one part of the UK in the allocation of convergence funding across the UK?

Yes No

If so, how could any impact on the other parts of the UK be addressed?

Please explain your answer.

All parts of the UK have moved to area-based payments which makes it difficult to justify continuing to allocate agricultural funding on the basis of historic production-based entitlements. The farmed landscape throughout the UK is naturally different, however the job and the production systems involved are essentially the same. With 81% of Scottish agricultural land classed as “less favoured” compared to 18% in England the difference in area payment rates has hit upland and remote producers hardest. It is these areas of land where Scotland has the most potential to capture carbon both through improved grazing systems for livestock, appropriate tree planting and peat restoration. However, without fair funding this benefit will not be fully realised. The convergence issue continues to create animosity between administrations and a fair solution through appropriate funding allocation would contribute to repairing the relationships. SLE recognise that the different payment rates are not solely down to Westminster decision and is in part due to decisions taken by devolved Ministers.

With the focus of future support, as detailed in the Agriculture Bill, moving toward payments for public good and ecosystem services now is the time to address the methodology of allocating funding. Scotland delivers 34% of the UK’s natural capital and with large amounts of peatland and forestry potential is also well placed to significantly contribute to UK climate change emission targets. As set out in our previous answer if funding were to be allocated more in line with the amount of land used for agriculture both Scotland and Ireland would no longer be at opposite extreme ends of the funding spectrum and Wales and England would be largely unaffected. In 2020-2022 the appropriate allocation of funding would enable Scottish land-based business to invest and ready themselves for the future beyond CAP.

QUESTION 3

The review panel are looking into which factors should be taken into account to ensure a fair allocation of convergence funding across the UK from 2020 to 2022, in line with the attached terms of reference.

Which factors or principles do you consider to be important for the allocation of convergence funding?

Please explain your answer and in doing so highlight which factors are the most important.

Land Area used in Agriculture, regardless of historic production figures. This has been explained in previous answers but as payments to farmers are linked to land area rather than a productivity score it is right that funding be allocated to countries in the same way.

Consideration for amount of land classified as "Less Favoured". Less favoured land might not be as productive as other land classifications however the active management of less favoured land can deliver for natural capital, ecosystem services and carbon capture provided there is sufficient income potential to retain a functioning population.

Consideration must be given for the impact of disproportionate funding on the internal market. Significant differences between area subsidy income will also result in varying break-even points meaning some farmers are able to cope with market pressure better.

Natural Capital and Ecosystem Services and the extent to which each country contributes to the UK total, Scotland contributes 34% of UK total.

The review should also consider the rationale for the EU allocation of the funding. There was clearly an issue with funding allocation for the EU to award the convergence uplift.

QUESTION 4

Are there any factors or principles in relation to future allocation of convergence funding that should be definitely ruled out by the Review Panel?

Yes No

Please explain your answer.

The Barnett formula has been ruled out already and SLE agrees with this assurance. The use of historic production level figures should also be ruled out as this has contributed to the current disproportionate allocation.

QUESTION 5

Please use this space to provide any further relevant comments.

The priorities for any future agricultural support must focus on;

- Increasing resilience
- Long term approach to land management
- Integrated approach to sustainable land management
- Embracing innovation
- Achieving climate change and emission targets
- Sustainable land management
- Delivering public goods

Leaving the Common Agriculture Policy enables a radical rethink on how Scotland supports agriculture and achieves environmental targets.

Any future funding must consider each country's individual circumstances, including environmental, agricultural and socio-economic factors. Farm numbers and farm sizes will also play a key role in determining the most appropriate support mechanism.