

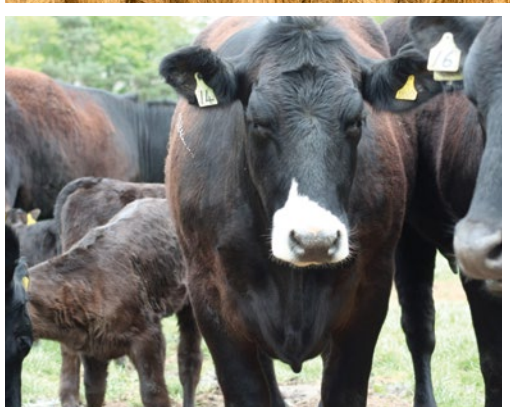
# NOURISH SCOTLAND MAGAZINE

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**What has Europe  
ever done for us?**



Common  
Agricultural  
Policy



Special  
Focus  
on Fish



NOURISH  
SCOTLAND



**Changing what we eat • Changing how we farm and grow food  
Changing local food economies • Changing public policies**

# About Nourish...

Nourish works alongside others for a Scotland where:

- We eat more of what we produce and produce more of what we eat.
- You can find healthy, local, seasonal, organic food all across the country.
- There is a stronger food culture, which is bringing people closer together.
- Everyone can afford to feed themselves and their family well.
- There is a diversity of thriving small food businesses.

Nourish exists to establish a sustainable food system in Scotland based on ecological farming and short supply chains. Changing our food culture and public policies are key to achieving this. Nourish facilitates this

change through engaging with organisations, community initiatives, politicians and officials. We work to influence policies from local to EU level.

Nourish makes sure that food is brought to the fore in public debates of various kinds, making the link between a localised food system and its positive outcomes for economic development, job creation, skill development, health, environmental stewardship and justice.

Nourish's work also directly contributes to growing the local food economy, e.g. through training programmes, such as the New Farmer Programme (teaching food production, processing, marketing and business skills) or linking local food producers with community food initiatives.

# Join Nourish...

Would you like Nourish to represent your views and those of the wider local food movement in Scotland to government and industry? Would you like to be part of a movement for a just and sustainable food system in Scotland and beyond? Then join us!

Nourish membership includes a subscription to our tri-annual magazine, discounts to Nourish events and on the fabulous Bread Matters bread making courses, and an opportunity to vote and stand for positions on the board of directors.

Are you a food business wanting to connect more with consumers? — Join Nourish with our exciting new

BigBarn joint membership opportunity. We can help to strengthen your local markets with this powerful online facility that includes a map, searchable by postcode and produce type, and an online marketplace.

**To join us please see our website or if you want to discuss it with us feel free to phone us or email [membership@nourishscotland.org.uk](mailto:membership@nourishscotland.org.uk)**

**If you would like to connect with like-minded people with similar interests and find out what is happening, both locally and nationally join the online community on [www.nourishscotland.org.uk](http://www.nourishscotland.org.uk).**



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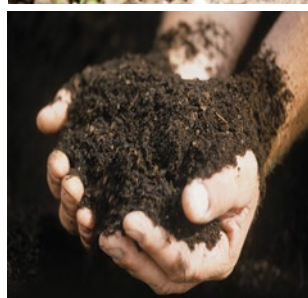
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### TELL US WHAT YOU THINK!

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# What has Europe ever done for us?

Food and farming are crucial elements of the coming debate on Europe.



**Pete Ritchie**

**DIRECTOR OF  
NOURISH SCOTLAND**

The refugee crisis in Europe has dominated the news agenda in recent weeks, just as the Greek financial crisis did for the first half of 2015 – and next year it will be the in-out referendum. In recent weeks, the odds have shortened suddenly on the UK voting to leave the EU, with a narrower gap in polling than between ‘yes’ and ‘no’ for most of the Scottish referendum campaign.

To date, the debate has been about big ideas like ‘sovereignty’ and has not touched on second order issues such as the Common Agricultural Policy (CAP). This will change. The argument will be made that we are paying extra for our food because we are subsidising farmers in other EU countries, and that we could do a better job ourselves: and that we should put our fishermen first.

So this is a good time to take a look at the CAP. Is it on balance a positive element in the wider European project or is it an example of what’s wrong with the EU? If we do leave, and start designing from scratch, what would domestic agricultural policy look like? And could those fresh ideas be used to make a better CAP if we stay?

This Nourish magazine has deliberately sought diverse views on the subject. Cabinet Secretary Richard Lochhead outlines the current CAP settlement and argues that we should ‘encourage farmers to adopt types of farming that produce the food we want whilst also helping our environment and tackling climate change’.

National Farmers Union president Allan Bowie argues for a continuation of subsidies alongside increasing the proportion of the retail price going to farmers, and calls for consumers to value food more.

Scottish Crofters leader Patrick Krause challenges the distribution of subsidy payments, which sees most money going to the biggest farms on the best land rather than to smaller farms and crofts which often deliver greater environmental benefits and can be more productive per acre.

Vicky Swales from the RSPB calls for root and branch reform of the CAP next time round, and a focus on tackling the major environmental challenges of climate change and global biodiversity loss.

SRUC agricultural economist Steven Thomson charts the CAP winners and losers, while CAP expert Alan Matthews questions the justification for a basic income payment to all farmers based on the area they farm and calls for future agriculture policy to do more to mitigate and adapt to climate change.

Nourish wants to see a fundamental rethink of the CAP. It makes sense, whether we see Europe as simply a ‘common market’ or a broader political project, to have a common policy framework which creates a fair internal market while supporting high environmental and animal welfare standards. However, the justification for direct payments is unclear. The European Commission argues that

“farmers receive annual payments to help stabilise farm revenues in the face of volatile market prices, unpredictable weather conditions and variable input costs. To benefit from these payments, farmers must respect rules and practices concerning environmental standards, animal welfare, food safety and traceability. Many of these requirements are stricter than those facing our global competitors. This is also what EU consumers and taxpayers want from the CAP. To avoid distorting markets, payments are not based on how much a farmer produces, but on how much land he uses and how he uses it.”

There are three obvious flaws. ‘Stabilising farm revenues’ suggests that support payments are for bad times, but they are in fact a level annual payment. It’s not clear why farmers should be paid to obey rules on animal welfare and environmental standards. And it’s not clear why farmers with more land should get larger annual payments.

Nourish agrees that significant public support for farming in Scotland is needed. We want to see more farmers, not fewer, and for Scotland to eat more of what we produce, and produce more of what we eat.

We want to see a ‘new deal’ between the Scottish public and Scottish farmers and growers, where public support delivers public benefit – for the environment, for animal welfare, for public health, and for communities. Short food chains, with more of the retail price going to the primary producer and closer connections between producers and consumers, are a key element in this new deal.



We expect a major shift towards organic and agroecological farming methods – farming with nature. We also want a clearer vision for sustainable rural development in Scotland, with the CAP contributing to a repopulated, low carbon rural Scotland.

While there are many good schemes in Scotland's rural development plan, most of the limited money is directed at farming and forestry. Nourish wants to see ambitious projects for rural development, including housing, renewable energy, right size industry, and long-term partnerships between communities and land managers.

The Land Reform Review Group called in its 2014 report for the land of Scotland to be used 'in the public interest and for the common good' – and with most of Scotland's dry land being used for agriculture this concept should underpin our agricultural policy.

We should be willing to draw on other public policy analogies too. GPs operate as private businesses while being paid to deliver public goods. Social enterprises – a growing part of the Scottish economy and comparable in scale to farming – rely on a similar mix of income from grants and income from trading to deliver a range of socially valued goods and services.

Shifting the CAP takes time - it will be 2019 before farm subsidies in Scotland stop reflecting the number of sheep a farmer owned in the year 2000 – so we need to get started now on discussing the CAP post 2020.

Nourish is hosting an event on October 22 and 23 to look specifically at how civil society, and in particular the cities of Europe and the emerging citizens' food movement, can become more engaged in shaping the CAP. We are also organising a series of events bringing farmers and other stakeholders together to discuss the Scottish government's proposals for the 'Future of Scottish Agriculture'.

In the coming debate on the EU referendum, few people will argue that the CAP in its present form is the poster child for the European project. But UK proposals for 'reform' in the EU prior to the referendum need to make things better, not worse. For all its faults, the CAP shapes the food and farming system for 500 million people. It can be part of the solution for climate change, for biodiversity and for sustainable rural development. 🌱

## What's on at Nourish?

**We are working hard to continue to encourage Scotland on its journey towards a better, fairer food system that is healthier for us and for the planet. We want to see food become a positive force for social and environmental change.**

**In July we were incredibly privileged to be joined by 26 committed people who share these objectives, for our first ever Food Leadership Programme. Over 5 jam-packed days at Comrie Croft, delegates became equipped with the knowledge, confidence and skills to send ripples of positive activity and conversations through our society about how we can make food better in Scotland. Coming from a variety of backgrounds, from the NHS to education, farming to politics, retail to chefs, campaigners, bakers, foragers and nutritionists, our new ambassadors are making an inspiring difference!**

**Our Right to Food Campaign is gathering strength. We are advocating for a rights-based approach to food in which everyone has financial and geographical access to good quality and culturally appropriate food without stigma or reliance on charity. The UK is a signatory to the International Covenant on Economic, Social and Cultural Rights (ICESCR) which includes a right to food, but these rights have not been implemented in law or policy. We have submitted evidence to the UN Committee that reviews compliance with the Covenant, and hope that our findings will be reflected in recommendations to Westminster over the coming year. In the meantime we are urging the Scottish government to make real the right to food, and we hope to work with a broad range of civil society organisations ranging from environmental to social justice NGOs in this pursuit.**

**Our policy work is always ongoing. We get involved at city scale; for example we've recently submitted responses to consultations on Edinburgh's Strategic Development Plan and the NHS Lothian Catering Strategy. On a national level we took part in the Scottish Government consultations on Wild Fisheries Reform, Procurement Reform, Climate Change reporting and on the Land Reform (Scotland) Bill. We also gave evidence to the Scottish Parliament Rural Affairs, Climate Change and Environment Committee on Land Reform.**

## What's next for the rest of this year?

**As well as our upcoming event on CAP reform, we are also supporting the Scottish government in its quest to gauge the nation's view on the Future of Scotland's Agriculture. The government has released a discussion paper and we are running a series of workshops across Scotland later this year. Each workshop will be free and open to all to attend. In our workshops we will put fundamental questions such as "What is farming for?" to a cross section of stakeholders in agriculture and gather views on these issues from those attending.**

**As part of our Right to Food Campaign, we're also hosting a collective inquiry this autumn exploring the issue of what food in a Fairer Scotland should be like. This event will be in Ayrshire, involving stakeholders from across the region.**

# View from Holyrood

*Richard Lochhead*, the Scottish government's Cabinet Secretary for Rural Affairs, Food and the Environment, outlines what the current Common Agricultural Policy means for Scotland.

Scotland's agriculture industry is truly the cornerstone of our country's phenomenal food and drink success story. It is a crucial part of our economy, particularly in many rural and remote areas.

The original purpose of the Common Agricultural Policy (CAP) was to support farming and food production. Born out of food shortages during and after the second world war, the CAP has been at the core of European policy since day one when various countries came together to ensure adequate food supplies for their citizens. Over time, the policy aims for the CAP have evolved and widened to include more challenges such as global food security, climate change, sustainable management of our natural resources and the rural economy.

The CAP now accounts for about 40 per cent of the EU budget, split into two 'pillars':

- Pillar 1 provides direct payments to farmers to help them produce the food that we all want, often in very difficult conditions.
- Pillar 2 refers to rural development programmes which support economic, environmental and social measures for the benefit of rural areas.

This year Scotland, along with the rest of Europe, is implementing a brand new Common Agricultural Policy.

These reforms have all been negotiated at EU level, as Europe sets the overall framework for the Common Agricultural Policy. But exactly how to implement the CAP is up to individual nations and regions to decide – as long as they comply with EU regulations – so as to take into account conditions and circumstances in different parts of the continent. For example, it's much easier to grow food in

warmer regions with fertile soil, like the south of England, than in the cooler, wetter and windier areas such as the Outer Hebrides.

This means that the implementation of the CAP in Scotland is completely devolved to the Scottish government, so we can target support to fit with our national priorities.

However, only member states have a direct say in EU agricultural policy and budget negotiations. Scotland, therefore, had to rely on the UK government – which has different priorities – to negotiate on our behalf.

As a consequence, Scotland has been left with the lowest level of CAP funding in Europe. With direct payments now based on land area, it is very straightforward to compare the rate of payment per hectare in Scotland to the payment rates in other countries – and to see the stark contrast between Scotland's bleak budget and much higher levels of funding elsewhere.

To make matters worse, the UK government has withheld from Scottish farmers and crofters tens of millions of pounds in additional European funding specifically intended to top up Scotland's low payment rates. This money, called the 'convergence uplift', is worth about £120 million between now and 2020 – a huge sum of money that should have come to Scotland in full instead of being divided up amongst all the UK.

So, unlike other European farming ministers who have had their CAP budgets increased, I have had to make very difficult decisions about where to target spending here in Scotland. The Scottish government worked very closely with farming and environmental representatives to agree how we should prioritise our limited budget when implementing this new CAP.

Here is a quick snapshot of the final support package in Scotland.

## PILLAR 1:

- **Basic payments** – Payments are based on the area and quality of land.

Because around 85 per cent of agricultural land in Scotland tends to be of poorer quality, the new package of direct payments has been designed to deliver an appropriate level of support where it is needed. So more intensive types of farming that take place on the better quality land need a different level of support than is needed for the less intensive types of farming on the poorer quality land on Scotland's uplands and hills.

A key way of targeting funding in this way has been to designate three basic payment regions based on historic land type. In 2015 the initial value of these payments still takes into account historic subsidies to farmers, but by 2020 these payments will have become fully area based. This means that in 2019, every hectare of land in the same basic payment region will receive a payment of the same unit value.

Region 1 contains the best quality arable and permanent grassland, and will in 2019 receive the highest rate of payment. Region 2 is better quality rough grazing, and Region 3 is the poorest quality rough grazing which in 2019 will receive the lowest rate of payment.

From 2015 we are also introducing new minimum activity requirements for land that is naturally in a state that is suitable for farming. This means that payments will only be made where genuine farming activity takes place on the land – an important move to help

tackle so-called 'slipper farming', where some farmers have been collecting subsidy payments for little or no work.

- **Greening payments** – For the first time, Europe has set out three standard 'greening' requirements that farmers must meet to qualify for these payments, which account for about 30 per cent of the Pillar 1 budget. Farmers with arable land need to meet crop diversification and ecological focus area requirements, unless they meet the conditions that mean they are exempt (such as only having very small areas of arable land or being mainly grass farms). Farmers with permanent grassland will need to ensure that the total area of permanent grassland in Scotland does not fall.
- **Beef and sheep scheme** – This provides support for Scotland's livestock producers, and accounts for about 10 per cent of our direct payment funding. Beef calves on the Scottish islands will now receive a higher level of payment than those born and raised on the mainland. There is also a new sheep support scheme where payments will be made on ewe hoggs in businesses that are dependent the poorest quality rough grazing.

## PILLAR 2:

The key purpose of Scotland's Rural Development Programme 2014 – 2020 is to help achieve sustainable economic growth in Scotland's rural areas. Food producers, land managers and rural communities can apply for various schemes that are designed to meet our main priorities, which are:

- Enhancing the rural economy
- Supporting agricultural and forestry businesses
- Protecting and improving the natural environment
- Addressing the impact of climate change
- Supporting rural communities

More information about the different schemes and how to apply can be found on the Rural Payments and Services website: <https://www.ruralpayments.org>



As you can see, the new Common Agricultural Policy is very complicated. We were promised by Europe a much simpler CAP, but what we have ended up with is much more complex than anyone could have predicted.

Like other countries the length and breadth of Europe, Scotland is facing challenges implementing the new system. It is clear the CAP needs to be simplified for both farmers and administrators, and the EU needs to prioritise changes that will make a real difference on the ground.

We need to get back to basics with a CAP that has farming and food production at its core. We need a future CAP that enables us to target funding in a way that meets Scotland's needs, but we must also look for smart and simpler ways of doing the financial and administrative checks and controls that mean we can be sure that the money is being used as it should be.

I have already called on Europe to make this a priority, along with ensuring Scotland receives a fair CAP budget.

Another important priority is to find ways of making the CAP even greener. With agriculture and the related land use sector contributing over a fifth of Scotland's greenhouse gas emissions, it's very

important that we encourage farmers to adopt types of farming that produce the food we want whilst also helping our environment and tackling climate change. For example, we need to improve soil and water quality as well as increasing biodiversity and tackling declines in farmland birds and insect pollinators. All of these measures are crucial to growing food and so make good business sense as well as being good for the environment.

With the next round of CAP reform negotiations due to get underway in the next couple of years, now is the ideal time to take stock and consider what we want the future of Scottish farming to look like.

I recently launched a discussion document on the Future of Scottish Agriculture with the aim of prompting conversations across Scotland about how our hardworking farmers and crofters can best use our land to produce more food for the nation, both now and in the future, and play their part in helping re-connect Scots with where their food comes from and how it is produced. I want to hear views from across Scottish society about what we need to do to deliver this vision.

I urge everyone with an interest in agriculture – including people who live in rural communities as well as those who work in the sector – to have their say. 🗣️

**The discussion document 'The Future of Scottish Agriculture' is available at [www.gov.scot/Publications/2015/06/6695](http://www.gov.scot/Publications/2015/06/6695).**





# Scottish farming and the CAP: challenges ahead

*Allan Bowie* argues that Scottish farmers need both CAP subsidies and a greater share of the reward for their produce.

Farming in Scotland has many challenges to face today which are no different from those faced by many other industries. However, unlike a factory or workshop we can't just lock the door of the building and stop production when the markets work against us. We also face political, retail and weather challenges in our day-to-day business, and a consumer that rarely questions the true cost and value of food production. The real problem is that farmers take the long term view of production, while the majority of society takes a short term and least cost view.

With the above in mind, the Common Agricultural Policy (CAP) was developed within the EU in 1950s, and is still the only really common EU policy. Its aim

was to provide affordable food and stability to the citizens of Europe, and to keep farmers farming. The CAP has evolved over the years and its share of the EU budget has significantly reduced, but it still requires about 38 percent of the total budget. The membership of the EU has also increased in tandem with a reducing budget, exacerbating the challenges. But more importantly, the globalisation of food by large multinational companies has allowed many consumers to benefit from cheap food that greatly undervalues the risk and reward for farmers, regardless of where they farm.

Prior to membership of the EU, farming unions would sit down with the UK government and negotiate the level of subsidy needed by each





85 percent of Scotland's land is classed as Less Favoured Area, compared to 15 percent in England. It was therefore very important from a farmer's perspective that the current CAP could be flexible enough to account for the extra costs and hardship of farming in a Scottish climate.

sector depending on the impact of markets and weather. This deficiency payment system allowed the industry to target payments. Today the UK is one of twenty-eight countries in the EU, which has a membership of 500 million people and is one of the biggest markets in the world. The current CAP has to deliver over all these countries, not just on food production but also on environmental and public good criteria, all within a global context of increased volatility and climate change.

In Scotland, agriculture is a devolved matter, but on EU matters we negotiate through the UK. EU policy is very important for Scotland's food and drink industry, but more importantly our consumers have to understand that our farming systems are different from those in other parts of the UK, let alone the EU. For this reason, Scotland has adopted a different approach to the current CAP compared to the rest of the UK and the EU, in order to target limited funding to livestock systems and regions.

85 percent of Scotland's land is classed as Less Favoured Area, compared to 15 percent in England. It was therefore very important from a farmer's perspective that the current CAP could be flexible enough to account for the extra costs and hardship of farming in a Scottish climate. However, Scottish farming also needs to get a more equitable margin from the supply chain, because the single farm payment we get from the EU is definitely not enough to sustain farming and the environment in Scotland. With reduced budgets, the stark reality is that consumers need to start valuing the true cost of food, and the consequences of policy from their politicians, and farmers need to get more from the markets.

Scottish farming has a fantastic product to sell and a great story to go with the brand, but we have a greater cost of production than other farming systems. Within the UK and the EU we have a massive market of consumers that offers the opportunity for us to get the premium price needed

to sustain farming in Scotland. CAP support is still needed for all the reasons above, but a strong interest and engagement from the public is crucial to the growth and sustainability of the industry, and the next round of CAP reform.

Recognition of the different farming types in Scotland, the physical and environmental constraints of farming here, and the benefits of farmers farming land will be equally important in dealing with the next reform. Profitability and confidence is needed, as is investment in adding value to what we produce. Having access to a market with 500 million people will be very important in delivering this. However, we do need flexibility and understanding from policymakers, and long termism in decisions, for Scottish farming to have a more prominent position in any future vision for Scotland's food and drink ambitions.

There is a threat that this message is not clear enough and that globalisation forces people to seek the cheapest food available. But I strongly believe we have the quality and provenance of food in Scotland to deliver the benefits to our farmers, consumers and the environment. We all need to keep working hard at delivering this message and not succumb to complacency – our competitors are catching up quickly, often under simpler bureaucratic systems.

A sense of urgency in dealing with the current market conditions will provide the resilience needed within the farming industry for changes in the future. The CAP will have to evolve as part of this change and it will have to be more targeted to take account of different farming systems. Crucially there needs to be more transparency in food supply chains to give farmers a greater share of the reward for risk taken, and for consumers to understand why CAP support is still needed in this global volatile market. 🍷

## ABOUT THE AUTHOR

Allan Bowie is president of the National Farmers Union of Scotland

# Crofting and the CAP

*Patrick Krause* challenges the myth that 'bigger is better'.

The present round of Common Agricultural Policy (CAP) reform started out focusing on support to the small producer, driven particularly by member states in Central and Eastern Europe that are characterised by a prominence of small farms. But despite the well-proven facts that biodiversity and environmental health, and therefore sustainability, tend to be much higher in a mosaic of smaller units and in low-intensity grazing, CAP support is skewed to larger industrial units.

The Scottish government has carried out work to identify the extent of High Nature Value (HNV) farmland in Scotland. Some 40 percent of our agricultural area is defined as HNV, predominantly located in the north and west of Scotland – crofting areas – where peat, heath and grass dominate and grazing is low-intensity.

Yet towards the end of the last phase of the Scotland Rural Development Programme, analysis showed that by far the greatest part of the agro-environment funding had been spent in the east of Scotland. This is where farms are large, the land is more chemically 'improved', the biodiversity is lower and the pollution highest.

A recent report by agri-business heavy-weight Brian Pack argued that agricultural production inevitably comes with some environmental damage. On the contrary, if we want to provide 'good food, for everyone, for ever' as the writer Colin Tudge sums it up so well, we simply cannot accept environmental degradation.

Crofts and farms in the HNV areas are dependent on payments for 'public goods' – those things desired by the public but not paid for by the market, such as carbon sequestration, high biodiversity, and access to beautiful landscapes. Yet these areas receive the lowest share of CAP funding, both in basic payments and in rural development support.

The CAP basic payment (by far the largest part of CAP) is an income support payment. In the same vein as the government uses taxpayers' money to enhance the income of those in need through welfare benefits, so the CAP provides public money to enhance the income of farmers and crofters who are under-paid by the market in order to provide cheap food for us all. The main difference is that in the welfare benefit system the government tries to prevent those who do not need from claiming, whilst the CAP system ensures those with the least need gain the most. So farmers on good land capable of high income earning receive vastly higher payments of public money than those who live in the fragile areas, who are predominately crofters.

In 2004, 'the farming industry' successfully lobbied the government to introduce a payment for farmers based on the livestock they *used to* keep. And so the term 'slipper farmers' was coined: those claiming the payments but no longer farming. This is a strange perversion of the term 'industry' for which the agricultural industry should hang its head in shame. In the welfare benefit comparison, these people are the 'scroungers' and 'slackers' the UK government has been demonising in the media.

Where did this 'bigger is better' fallacy come from? In the 1960s, the idea of enlargement was promoted by Dr Sicco Mansholt, then European Commissioner for Agriculture, who sought to clear small farmers from the land and to consolidate farming into a larger, more 'efficient' industry. This was driven by unlimited CAP payments that encouraged landowners to remove tenants and to buy up more land on which to claim subsidy.

The UK embraced this plan, probably more so than any other European country, and we are the odd one out in Europe due to the large average size of our farms. Indeed, the



Crofters Commission which was set up in 1955 was tasked with amalgamating crofts, a policy that has since been reversed.

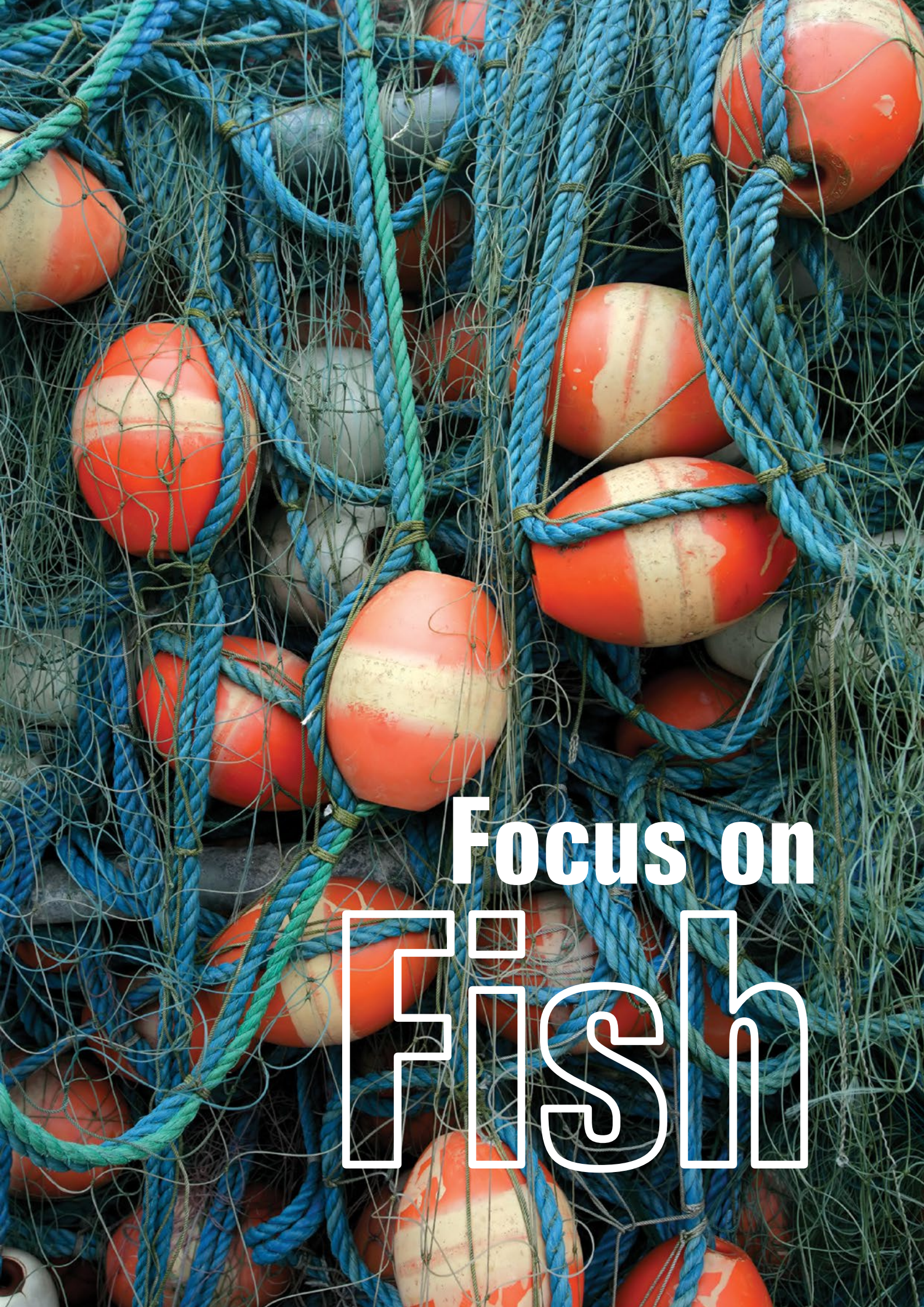
There are some 'bigger is better' myths that need dispelling, such as 'large scale industrial farming is more efficient'. Actually, industrial agriculture puts in 10 times more energy than it produces, whereas small-holder agriculture produces 10 times more energy than it puts in. Another myth is that 'large-scale farming feeds the world'. Actually 70 percent of the world's food is produced by small-scale farming.

These myths, and others like them, are based on the selfish, and unfortunately prevailing, view that what makes good business is putting more money into fewer pockets, creating a concentration of wealth. So even though the industrial farmers claim to achieve 'economy of scale', they also claim the right to the highest share of public support payments – by far. The fact is that there is a shed-load of money going to agri-businesses on high-yielding land, and an astonishingly low amount of support going to the crofters in the low-intensity, High Nature Value areas. If we are to have a sustainable future providing 'good food, for everyone, for ever', this will have to change 🌱

## ABOUT THE AUTHOR

Patrick Krause is chief executive of the Scottish Crofting Federation.



A close-up, high-angle photograph of a fishing net. The net is composed of a fine, light-colored mesh. Several large, oval-shaped floats are attached to the net. These floats are painted with horizontal stripes of red and white. The floats are interspersed with thick, blue, braided ropes that run vertically through the frame. The ropes are tied to the net with small, light-colored knots. The overall composition is dense and textured, with the blue ropes and red floats creating a strong visual contrast against the light-colored netting.

# Focus on Fish



# Focus on Fish

Scotland's seas are six times the size of our landmass, and we have 10 percent of Europe's coastline. Our seas contain many edible fish and shellfish, and we are taking huge quantities of them out of the sea. Scotland produces enough to be fifteen times self-sufficient in fish.

Yet many people in Scotland don't eat the two portions of fish per week recommended for a healthy diet, and we ate less in 2005 than we did in 1996. People on low incomes eat less fish than others. Despite the variety of fish available, only a few species are widely eaten by Scots, and most of the fish caught or farmed in Scottish waters are exported.

Overfishing is a major problem globally, and many fish populations are being fished far beyond sustainable levels, often with industrial fishing vessels operating on a massive scale. Some kinds of fishing not only deplete fish stocks to dangerous levels, but also cause horrific destruction to the marine environment.

In Scotland, the fishing industry is diverse, ranging from divers who gather shellfish by hand and small one-person fishing boats, to large trawler ships. The different fishing methods, some of which are outlined below, vary widely in terms of sustainability. The industry is also contentious, as different



sectors often compete for the same fish stocks or the same sea space.

Around 4,700 people are employed as fishermen in Scotland – a fraction of the number employed a century ago, when 10,000 boats with crews of several men were involved in herring fishing alone. However, in 2002, the Scottish Executive estimated that up to 48,000 jobs were dependent on fishing and fish farming, including processing. Many jobs are in economically fragile areas, and support

communities that have been based around fishing for centuries.

The governance of such a diverse and sensitive fishing industry is complex, and the European Union's Common Fisheries Policy has a major influence – see the following pages for more details.

The question of fish is not just about fishing. Fish farming, or aquaculture, now accounts for a significant proportion of the fish people eat globally, and Scotland's salmon aquaculture

## Global fish facts



**4 billion**

people for whom fish provides an important source of protein

**57%**

of fishing vessels were engine-powered in 2012

**90%**

of people involved in fishing and fish farming are employed in small-scale fisheries

**19kg**

annual fish consumption per capita in 2012  
up from 10kg in the 1960s



**29%**

of marine fish stocks were overfished in 2011

**13%**

of fish caught in 2012 were from inland waters

**10**

Boeing jumbo jets could fit inside the biggest trawler fishing nets





industry has grown rapidly in the last 20 years. But salmon farming is intensive, and its sustainability is questionable.

Nor is it all about the sea. Worldwide, millions of people rely on fish from rivers and lakes. In Scotland we mostly eat sea fish – but many people also fish for recreation in our inland waters.

Can we ensure that people have access to healthy, affordable fish, while supporting communities and jobs, without destroying the marine environment and leaving the seas empty of fish for future generations? Nourish believes this is a crucial question in Scotland's journey towards a sustainable food system. 🐟

### FISH FOR HEALTH

The NHS recommends that people should eat at least two portions of fish per week, including one portion of oily fish such as mackerel, herring, salmon or sardines. Fish and shellfish contain many of the vitamins and minerals required for a healthy diet. Oily fish is particularly high in long-chain omega-3 fatty acids, which may help protect against heart disease.



# 17

million tonnes of extra annual fish production could be achieved by rebuilding overfished stocks

# 1/2

of the world's seafood is produced by fish farming



# The Common Fisheries Policy

Since the 1970s, the UK's membership of the European club has had a major influence on the Scottish fishing industry – not least because a condition of the UK joining was that the EU would have jurisdiction over UK waters from 12 to 200 nautical miles out to sea, and that EU countries would have access to these waters.

Closer to the shore, the EU has less influence: UK fishermen have exclusive fishing rights up to 6 miles from the coastline, and in the 6 to 12 mile zone, boats from other EU countries have only limited access.

The EU's Common Fisheries Policy includes a system of quotas limiting how much fish can be caught, and restrictions on how many days can be spent at sea. Quotas for the 12 to 200 mile zone are set by the EU, and each country then divides its quota up among its fishing fleet. Since fisheries are devolved to the Scottish government, Holyrood controls how the rules are applied in Scotland.

The latest version of the policy, agreed in 2013, contains a number of measures aimed at reversing the decline in fish stocks. From 2015, quotas are being set on the basis of the maximum amount of fish that can be caught without depleting stocks, reducing the quantities that some fishermen are allowed to catch. Governments are now obliged to apply environmental criteria in their allocation of quotas.

While conserving fish stocks is essential for the long-term future of fishing, policy makers have difficult decisions to make in balancing this with fishing communities' immediate concerns over jobs and livelihoods.

The current Common Fisheries Policy also aims to reduce the much-criticised practice of 'discarding', or throwing unwanted, often dead fish back into the sea. Quota rules have led fishermen to discard fish that would take them above their quota. The new 'landing obligation' means that everything caught must be landed, and counted as part of the vessel's quota. Pelagic fishermen, who rarely catch large quantities of unwanted species, have had to comply with the new rules since the start of this year. Boats targeting white fish must comply from 2016 – and for these fishermen, for whom it is much harder to target specific species, meeting the new obligation will be more challenging and will require changes to fishing methods. 🐟





© Scottish Creel Fishermen's Federation

# The real creel – the rural heart of Scotland's world-famous shellfish

*Alistair Sinclair*

Surprisingly few Scots know it, but our shellfish is some of the finest in the world. Brown crabs, velvet crabs, lobster, and Scotland's highest quality prawns (or langoustines) are all caught by Scotland's creel fishery and exported to France, Spain and further afield.

This is no accident. The waters around our coast are warmed and enriched by the Gulf Stream and Atlantic swells, making them some of the most abundant and stunningly beautiful inshore waters in the world – a tremendous natural asset.

For many centuries, our fishermen have fished these waters with creels. Creeling is a vital thread in the social fabric of Scotland's coastal villages. And creel fishermen now make up almost 80 percent of Scotland's inshore fishing fleet.

Creeling has changed little over years. It is a simple method using a baited trap lowered onto the seabed. The catch is individually handled and selected, and anything unwanted is returned to the sea. Environmentally, it is low-impact. The boats are necessarily small as they need to navigate shallow waters where lobsters, crabs and other shellfish are found. These boats consequently fish their local waters, employing crews drawn from rural communities. Creeling is a traditional way of life that has weathered the storms of globalisation.

The Scottish Creel Fishermen's Federation is a network of fishermen's groups from all around the Scottish coastline. Our regional associations work together to secure and promote creeling and other sustainable methods of fishing in Scotland. Hand-dived scallops are one Scotland's most precious seafood products and if sustainably caught, rightly command high prices in our restaurants.

We also firmly believe the Scottish and UK public should enjoy our precious catch, and we are working to build a fairer and stronger market in the UK for locally-caught seafood.

## ABOUT THE AUTHOR

Alistair Sinclair is chair of the Scottish Creel Fishermen's Federation.



## Inshore dredging and trawling

Inshore dredging and trawling vessels fish mainly for scallops and prawns (langoustine), operating in the same west coast waters as creel boats. This group of fishing boats are often referred to as the 'mobile' sector, since fishing gear is towed along the seabed, as opposed to the 'static' sector, in which creels and nets are placed in a particular location and retrieved later. Prawns and scallops are both caught by dragging fishing gear along the seabed – nets for prawns, and metal dredge equipment for scallops.

While inshore fisheries are much less affected by the Common Fisheries Policy than offshore fisheries, prawns are an exception, as they are subject to quotas.

Inshore dredging and trawling cause significant damage to seabed ecology, destroying species such as kelp, firework anemones, and the maerl seaweed beds that are important habitats for young cod, scallops and crabs. Some parts of Scotland's seas have already been devastated by decades of trawling: for example, maerl beds south-west of Great Cumbrae in the Clyde have been severely degraded as a result of intensive scallop dredging from the 1960s onwards.

In addition to Marine Protected Areas (see overleaf) there are calls from environmental organisations and from parts of the fishing industry to restrict dredging and trawling between the shore and three nautical miles out to sea. While not ruling such measures out, the Scottish government is cautious due to the risk of job losses in the mobile sector. It currently plans to implement various technical measures to improve sustainability in the sector.



## Pelagic trawling

Pelagic fish species include herring and mackerel, which live in the open seas, between the coastline and the deep ocean floor. The Scottish pelagic trawler fleet is highly centralised, with 24 large vessels, each over 40 metres in length, operating out of Fraserburgh, Peterhead and Shetland. Fish are located using echo sounding, and caught in large trawl nets towed by a single boat or a pair of boats.

Stocks of herring almost completely collapsed in the 1970s due to overfishing, and fishing was temporarily stopped, but numbers have since recovered.

Scottish pelagic trawling does not touch the seabed, and involves relatively little by-catch of other species. The capture of undersized fish is a problem, but changes have been made in order to reduce this, including setting minimum net sizes. Several Scottish pelagic fisheries have achieved Marine Stewardship Council certification.

Scottish pelagic fishing is regulated by the European quota and days at sea systems, and the fleet has been obliged to adhere to the discards ban since the start of 2015.



## Demersal fisheries

Demersal fish species live on or near the seabed, and make up about a quarter of all fish landed in Scotland. Cod, haddock and whiting are the fish most commonly targeted by the demersal or whitefish fleet. However, these and other demersal species are often caught together in 'mixed fisheries'. Trawling and 'seine' netting are the predominant methods of capture, and both cause damage to the seabed (although seine netting less so).

Demersal fisheries are managed under the Common Fisheries Policy. Following serious depletion of cod stocks, the sector has complied with a series of conservation measures to restrict catches – including reducing the number of boats in operation. These efforts are proving effective in the North Sea, where stocks are gradually being rebuilt, but have been less successful off the west coast of Scotland. Haddock has also been overfished, but a Scottish North Sea haddock fishery has now been awarded Marine Stewardship Council certification.



## Aquaculture

Scottish fish farming produces significant quantities of rainbow trout, mussels, and other fish. But aquaculture is dominated by the UK's favourite fish: Atlantic salmon, farmed in the coastal waters, mainly off the west of Scotland. Scottish salmon farming has undergone spectacular growth in the past two decades, with production rising from 36 thousand tonnes in 1993 to 152 thousand tonnes in 2013. Scottish salmon is exported to more than 60 countries, and in 2013 the industry directly employed 2,200 people, mostly in remote rural areas. And a fish that was once a luxury is now much more affordable.

But the rise of salmon farming has brought a host of environmental problems. Salmon are kept in cages in the sea. Sea lice proliferate in the cages, and chemical pesticides are added to the water and to the feed to treat these infestations. The sea and seabed around the cages are polluted by nitrogen and phosphorus from fish food and waste, and this is exacerbated by the poor location of some farms in sheltered waters. Escaped salmon from the farms weaken the genetic make-up of wild salmon, whose numbers have dropped significantly. The welfare of the farmed salmon is also a concern, as these are essentially 'battery fish', crowded together in a confined area.

The question of how to feed farmed salmon is also a big issue. Between 1.7kg and 4.9kg of caught wild fish are used to produce 1kg of salmon – usually small fish which are important sources of food for other species such as cod.

Some improvements have been made to the industry in recent years. Some salmon farms have been certified organic, and research is being done into alternative feeds. But there are questions over the long-term sustainability of large scale salmon farming, especially since the Scottish government and the industry have set ambitious targets for its growth.

## Wild fisheries

Fishing on Scotland's inland rivers and lakes is done principally for sport rather than for food: in 2013, 80 percent of salmon and 77 percent of sea trout caught by anglers in Scotland's rivers were released back into the wild.

Game and coarse angling support 2,800 jobs, and are worth £134 million in expenditure to the Scottish economy.

The Scottish government is proposing to overhaul the management of wild fisheries, setting up a national policy unit and a network of local management bodies, with the aims of conserving fish stocks, making sure wild fisheries contribute to the economy, and widening participation in recreational fishing.



## Deep sea bottom trawling

Most deep sea fishing in Scottish waters is carried out by Spanish and French bottom trawling vessels. The main commercial species targeted by these fleets are roundnose grenadiers, black scabbardfish and blue ling, although many other species are caught and discarded.

Deep sea fishing began in Europe in the 1980s as a result of the depletion of fish in shallower waters. It yields relatively few fish, and is heavily subsidised by EU taxpayers. However, it is extremely damaging to fragile deep sea ecosystems that are home to long-lived, low-resilience species such as cold-water corals and sponges. Bottom trawling also greatly reduces the capacity of these deep sea areas to store carbon.

Recognising the destruction caused by this method of fishing, the EU issued proposals in 2012 to phase out deep sea bottom trawling. Discussions on the issue recommenced in September.

In August, Glasgow University and Marine Scotland Science published a study that suggested that a ban on fishing below 600 metres would be appropriate, since ecological damage increases significantly below this depth, while commercial return decreases.

## Marine Protected Areas

Scotland's seas and seabeds are rich ecosystems, home to a huge variety of flora and fauna. But many years of overexploitation have left these environments seriously damaged. Almost every habitat type in Scottish waters is declining or is a matter of concern, and almost all of Scotland's shark, skate and ray species are threatened or declining.

Thanks to legislation passed in 2010, the Scottish government has a legal duty to set up Marine Protected Areas (MPAs) to protect and enhance the marine environment. Thirty of these areas have been designed, and in some, dredging will be restricted and bottom-trawling prohibited.

In August, the Scottish government introduced an urgent conservation order to ban dredging in the Wester Ross Marine Protected Area, due to damage to maerl by a scallop dredger.

Marine Protected Areas are only one aspect of the extremely complex task of managing what can be fished, where, and how. But the Save Scottish Seas campaign believes that as long as the current proposals are not diluted, these conservation areas will be crucial in both protecting remaining biodiversity and, by allowing species the space to breed, recovering some of what has been lost.

The Scottish Fishermen's Federation, whose members include many of the west coast prawn trawlers and scallop dredgers whose activities in will be restricted, are opposed to the plans. But the government believes that only 1 percent to 1.6 percent of these fishermen's revenues will be affected. The Scottish Creel Fishermen's Federation, which represents the majority of boats off the west coast, is in favour of the plans.





# How to eat good fish

Magnus Houston was a fisherman, catching lobster and crab in creels from a small boat based in Cromarty. Aware that almost all of his catch was being transported by the wholesaler to mainland Europe, Magnus and his partner Fiona Hogg set up Coast & Glen ([www.coastandglen.com](http://www.coastandglen.com)) in 2011, and now deliver 'Fishboxes' directly to subscribers all over the UK. They buy their fish from markets in Kinlochbervie, Scrabster, Shetland and Peterhead, and from small creel boats, scallop divers, and a Shetland mussel farm.

'Our fishboxes give customers the chance to experience truly fresh, straight from the boat products, utilising all species available from Scottish waters,' says Fiona. 'Everything from live lobsters, oysters, scallops, haddock, cod – to the more unusual species such as tusk, forkbeard and even conger eel!

'This method of selling fish is really good for the fishermen as well. It means there is no pressure on them to catch certain species as we are creating a market for all species. So this makes it really sustainable and allows for a spread of species to be caught rather than one type being targeted.'

Gigha Halibut ([www.gighahalibut.co.uk](http://www.gighahalibut.co.uk)) is another Scottish business aiming to provide sustainable fish. The company's Amanda Anderson explains: 'Our halibut are hand reared using an organic diet in our unique land based tank system on the Isle of Gigha. Wild halibut are recognised as an endangered species so we offer a sustainable alternative.

'We take fresh Atlantic water that surrounds Gigha into our land based tanks at a rate of 1,400 litres a second, keeping

fresh water circulating for our fish at all times. With our filtration systems, the water is cleaner when we return it to the shore than when it first comes in.

'We keep our fish numbers low so there is plenty of space for our fish to move around, keeping their flesh firm and meaty. It also allows us to keep an eye on the welfare of each individual fish.'

Some restaurants are also prioritising sustainability. Roy Brett, Chef Patron of Edinburgh seafood restaurant Ondine ([ondinerestaurant.co.uk](http://ondinerestaurant.co.uk)), told Nourish, 'We work with tried and trusted suppliers in long term relationships, and they know we will only serve fish and shellfish sourced in a sustainable way from stocks that are healthy and robust.

'Our approach is right for our customers, for the environment and for our business. Without understanding seasonality, species numbers and spawning times you end up interfering with the cycle of the seas. We need sustainability to ensure people can



continue to enjoy Scottish fish and shellfish in the future. It really is that simple.'

Takeaway fish and chips shops are also focusing on sustainability, with a small but growing number being certified by the Marine Stewardship Council, which runs a global sustainable seafood certification and labelling scheme. This year, Frankie's Fish and Chips ([frankiesfishandchips.com](http://frankiesfishandchips.com)) in Brae, Shetland, won both the UK's best chip shop award and the 'Good Catch' sustainable seafood award. 🐟



## FURTHER INFORMATION

There is a wealth of information available to help people choose what fish to buy. Many products from fisheries certified by the Marine Stewardship Council carry its logo. For farmed fish, organic certification indicates better environmental standards.

The website [fish2fork.com](http://fish2fork.com) rates hundreds of restaurants according to the impact of their fish on the seas and marine life.

The Marine Conservation Society's excellent Fish Online website ([fishonline.org](http://fishonline.org)) and its Good Fish Guide mobile app provide detailed and informative sustainability ratings by species and by fishery. The charity also surveys supermarkets' performance on sustainable seafood, and in 2013 it ranked Sainsbury's and Marks & Spencer joint first, the Co-operative second and Waitrose third. Tesco, which has the highest market share for seafood in the UK, was among several supermarkets that declined to take part.

# Capping the CAP

We, the taxpayers, are financing the subsidies paid through the Common Agricultural Policy. So is the money going to those who need it most?

The reality of CAP subsidies is that the bigger you are, the more money you receive. A small number of people receive large sums of money, while a large number of people receive small amounts. UK-wide, the business with the biggest CAP subsidy between 1999 and 2013 was sugar company Tate & Lyle. In Scotland in 2013, 45 percent of the total pot of money went to just 10 percent of farmers, and 81 percent went to the top third. One individual received over £3 million.

Since payments have been made on the basis of what farmers got in 2000-2002, some of the biggest recipients of CAP money in Scotland have been getting subsidies despite doing no farming. A new 'minimum activity requirement' aims to prevent these 'slipper farmers' from claiming. And between now and 2019, Scotland will shift from payments based on what farmers got 15 years ago, to payments based on the area of land farmed.

However, some farmers will still be able to claim very large sums of money. The latest CAP reform stipulates that payments over 150,000 euros will have 5 percent taken off them, and the Scottish government has said that no farm business will be able to claim more than half a million euros. But many, including Nourish, want to see a much lower cap on subsidies to individual businesses, with the money saved being added to Pillar 2 funds to finance rural development programmes. 🐾



**£198 million**



**£242 million**

**In 2013, 10% of Scottish farmers received a total of £198 million, while the remaining 90% got a total of £242 million.**



## CAP in hand?

*Steven Thomson, Senior Agricultural Economist at Scotland's Rural College, explains in detail how the 2015 CAP reforms change the distribution of direct payments to farmers.*

The 'single farm payment' that farmers have been accustomed to receiving was based on the average level of payment, and hence production levels, between 2000 and 2002. Across Europe, the political will has been to end the link between payments and historic levels of farming activity. This will be achieved by 2019 through the 2015 Common Agricultural Policy reform package.

Mr Lochhead's article (page 6) provides an explanation of the new basic payment scheme regions, along with the beef and sheep schemes and the new greening measures farmers must comply with. In addition to changes in how the CAP is delivered, the total budget available to support farming between 2014 and 2020 has dropped. Farmers also have to contend with the vagaries of the Euro–Sterling exchange rate in calculating the amount of support they actually receive. Whilst there is still uncertainty over final payment rates, the Scottish government has provided estimations of the different rates.

The new CAP heralds a step change in how direct support for farming is distributed. Change of this magnitude has not been witnessed in a generation: the impact of moving from historically based area payments to regionalised area payments is significant.



In simple terms, areas that were intensively farmed at the turn of the twenty-first century are most likely to be faced with the challenge of reduced direct support payments. Analysis undertaken by colleagues at the James Hutton Institute has predicted, using 2011 farm data, that there will be a large redistribution of CAP direct support payments by 2019.

This payment redistribution will occur at many levels: within geographic areas (e.g. between neighbouring farms); within types of farming (e.g. from one beef farm to another beef farm); between geographic regions (e.g. from the north east of Scotland to Argyll and Bute) and between farm types (e.g. from a cereal farm to a sheep farm).

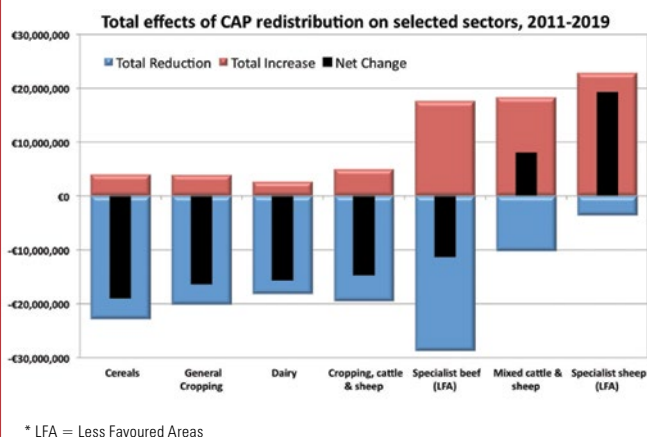
It is predicted that around 2,300 Scottish farm businesses will face CAP direct support reductions of over 40 percent from 2019 (compared to 2011), at a median of about €19,000. In 2011 these farm businesses had 476,000 hectares, 34,000 suckler cows, 98,000 finishing cattle, 147,000 breeding ewes, 52,000 dairy cows and 2,455 employees.

In contrast, 6,300 farm businesses are expected to receive increases of more than 40 percent from 2019, at a median of about €3,400. In 2011 these farm businesses had 1.6 million hectares, 48,000 suckler cows, 23,000 finishing cattle, 700,000 breeding ewes, 9,000 dairy cows and 4,800 employees.

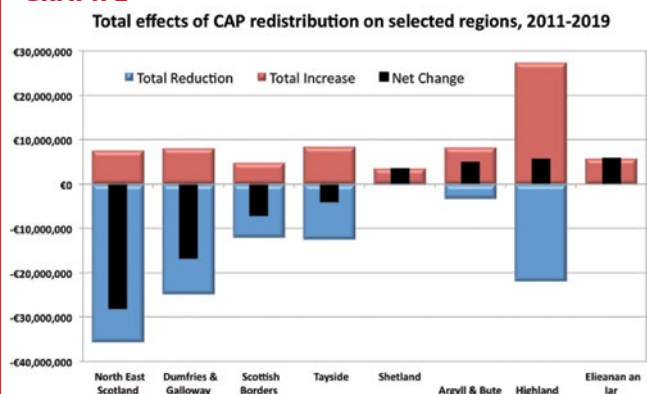
Whilst some farms in the cereal, general cropping, dairy and mixed cropping and livestock sectors will receive an increase in their payments by 2019 (see the red bars in graph 1), most farms in these sectors will face reductions totalling around €20 million, with the net effect (black bars) in each sector being a reduction of €15-20 million per year from 2019.

Whilst the net effect on the specialist beef sector is a reduction of CAP support payments of around £11 million in total, there will be considerable redistribution of support payments within the beef sector itself – some farms in the sector will receive an increase

GRAPH 1



GRAPH 2



totalling around €17 million, whilst others face reduced payments totalling around £28 million. The mixed cattle and sheep sectors and specialist sheep sectors are expected to see net increases of around €8 million and €20 million respectively, although there is a greater redistributive effect occurring in the mixed systems, probably due to the cattle numbers.

There are also very strong redistributive effects across geographic regions. For example, whilst some farms in the north east of Scotland will see uplifts in support payments totalling about €8 million, others in the region will face total reductions in direct support of about £36 million per year, resulting in a net reduction of around £28 million per year from 2019. The position is similar in Dumfries and Galloway, with net reduction of around £17 million per year.

Areas where sheep farming dominate (Shetland, Eileanan an Iar and Argyll and Bute) are all predicted to receive net increases, and significant redistribution is predicted within the Highland region, where some farms will collectively be faced with £22 million lower payments, whilst others will collectively receive uplifts of around £27 million. 🐏

## FUNDING OPPORTUNITIES

The Scottish Rural Development Programme is funded through the Common Agricultural Policy. Farms and other rural businesses can apply for a range of grants, including for forestry projects, environmental work and co-operative action. There are also grants for crofters, new farmers, and small and medium food and drink enterprises. To apply visit

[www.ruralpayments.org](http://www.ruralpayments.org)

Horizon 2020 is an EU programme granting funds for research and innovation to businesses, universities and research institutions, and public and third sector organisations. Its themes include ensuring food safety and security, and tackling climate change. To apply visit [www.ec.europa.eu/programmes/horizon2020/](http://www.ec.europa.eu/programmes/horizon2020/)

Research on CAP Reform is being undertaken collaboratively by Scotland's Rural College and The James Hutton Institute as part of the Economic Adaptation Theme of the Scottish government's Environmental Change Strategic Research Programme 2011-2016.



# How 'green' is the CAP?

*Vicki Swales* assesses the CAP's environmental credentials, and calls for radical reform.

What has Europe's Common Agricultural Policy got to do with nature and the environment? The short answer is 'rather a lot'. Both directly, through a number of environmental measures within it, and indirectly, as a major influence on the day-to-day farm business decisions taken by 12 million farmers across the EU. So, does this mean the CAP is 'green'? On a scale of 1 to 10 where 1 is 'not at all' and 10 is 'the best it could be', we'd probably give it a 4 currently. Let's take those indirect effects first and look at how CAP subsidies, historically and today, have significant impacts on our environment.

Farming can have both positive and negative impacts on the environment – on our soil, air, water, wildlife and climate – through the farming systems and practices employed. The nature of these impacts is closely related to both the intensity of farming (e.g. level of use of pesticides and fertilisers) and the degree of specialisation (e.g. monocultures vs mixed farming).

The more intensive and specialised farming tends to be, the greater the likelihood of negative impacts on the environment, such as water pollution, declines in the number and diversity of wildlife, and soil erosion. Conversely, lower input, lower output systems of farming tend to be more beneficial for wildlife and less likely to result in nitrogen and pesticides polluting our watercourses.

So how does the CAP influence how intensive and specialised our farming systems are? For much of its history, the CAP has been a production policy, designed to support farmers' incomes and increase food production. Subsidies were introduced to stimulate production, guaranteeing prices for a range of commodities and paying farmers for every head of livestock and every tonne of wheat. Farmers responded admirably, switching to increasingly more productive, intensive and specialised systems of farming in order to reap the financial benefits. The policy was so successful that it rapidly led to the infamous milk lakes and butter mountains of the 1970s and 1980s.

Of course, not every farmer responded the same way. Many farmers continue to farm in low input, low output ways, which are often classed as being of High Nature Value (HNV) – although many of these farmers are struggling to survive. Such farming is typical in the Highlands and Islands of Scotland.

But by stimulating production, the CAP indirectly incentivised the adoption of less environmentally benign methods of farming. Latterly, a series of reforms to the CAP have removed production subsidies and – to use the jargon – 'decoupled' them from the decisions farmers make about production.



Nevertheless, the CAP continues indirectly to give greater support to farms at the more intensive and specialised end of the spectrum.

Now let's look at the direct environmental measures. Growing recognition of the negative impacts of the CAP led to successive reforms which, over time, introduced measures designed to directly encourage environmentally friendly farming. The introduction of the first so-called 'agri-environment measures' in 1985 represented real progress in greening the CAP – these incentives were later accompanied by sanctions threatening withdrawal of direct payments where farmers failed to comply with various environmental and other laws.

The latest round of CAP reform in 2013 was presented by the European Commission as being the greenest ever. However, this was not an assessment shared by RSPB Scotland or our nature conservation partners across the EU. If by being green we mean doing more to stem declines in wildlife, improve water quality and reduce climate warming greenhouse gas emissions, then 'greenwash' is closer to the truth.

How did we end up in this sorry state of affairs with the CAP arguably doing less for the environment now that it has done in previous years? Firstly, the overall budget was cut, and the largest share of the cuts fell on the part of the CAP (Pillar 2) which contains the most useful environmental measures, such as schemes to support wildlife friendly farming.

Secondly, too little was done to ensure a significant redistribution of farm income support towards the most economically vulnerable but environmentally important farms. Thirdly, the mechanism that is used to withdraw subsidy from farmers who don't comply with environmental and other requirements was weakened.

Finally, a 'green payment' was introduced in Pillar 1 of the CAP, but following fierce lobbying by the farming unions, the requirements for receiving this payment were significantly watered down. Many farmers across the EU and here in Scotland will receive this payment each year despite having to do little or nothing that will benefit the environment.

The lack of environmental ambition for the CAP is frustrating to say the least. It is also contradictory, given that we have collectively, across the EU and here in Scotland, signed up to targets to halt declines in wildlife by 2020 under the UN Convention on Biological Diversity. With agriculture identified as one of the major drivers of wildlife decline, how are we



But by stimulating production, the CAP indirectly incentivised the adoption of less environmentally benign methods of farming.

to meet these targets if one of the most influential farming policies doesn't play its part? The same can be asked for how we meet targets in relation to water quality and reducing greenhouse gas emissions.

CAP reform will come round again, and quite soon. This time, it isn't evolution we need, it's revolution – a root and branch reform of a policy which isn't working for the environment, or for very many farmers. In future, we need a policy that supports productive, resilient, diverse and environmentally sustainable farming. This means directing more funding to help farmers adapt and develop their businesses so they are less dependent on income support. For example, more farms could process and market the food they produce, selling to local consumers and receiving better prices. Others may diversify and develop alternative income streams e.g. from tourism.

All farmers should be supported for undertaking environmental management and rewarded for producing environmental goods and services from which we all benefit, such as attractive landscapes and diverse wildlife, clean water and carbon storage in soils. Special attention should be paid to supporting those High Nature Value farms which produce less in the way of food but are highly valued in other respects.

In its current formation, it is Pillar 2 of the CAP that has the potential to stimulate more innovative and environmentally sustainable farming, whilst direct payments look increasingly out of step with public demands. We could argue for a wholesale shift in funding from Pillar 1 to Pillar 2. Or we could make the case for an entirely new Sustainable Land Management Policy. Imagine how much environmental benefit the €59 billion annual CAP budget would buy each year. Whatever the options, it's quite clear that much more is needed than a little trimming around the edges. After all, no one's ever managed to make a silk purse out of a pig's ear. 🐷

## ABOUT THE AUTHOR

Vicki Swales is head of land use policy at RSPB Scotland.

# Labour view

CAP reform has to be based on sustainable development principles, says *Sarah Boyack MSP*, Scottish Labour spokesperson for environmental justice

The Common Agricultural Policy was introduced after WW2 to ensure that Europe's citizens had enough food to eat. As we look to the future, food security and affordability remain a challenge. But we are living in a different world with different threats: the EU is much bigger and the costs of the CAP without reform are unsustainable; we have a food production system that sees farmers in the highest debt for 40 years; yet in key sectors price volatility threatens the viability of many farms with the prices being paid are below the cost of production; climate change poses a threat to food production across the globe, and we have food poverty not just in developing countries but with food banks becoming the norm in richer countries.

So we need change. Agro ecology is not yet a well-known concept, but it is a reminder that farmers are not just food producers, but stewards of our land and our landscapes. They are also at the heart of rural economies, sustaining jobs vital to keep rural communities alive. Going forward, we need new and better ways to support more environmentally sustainable production. We need smarter food chains to deliver fresher food, more transparency and accountability.

And what we want for our farmers and farming communities, we should want across the globe. That means Fairtrade principles across our food chains, securing local value for food production through farmer and producer led cooperatives, and support for the next generation of farmers.

The dairy crisis is a sharp reminder that the market alone will not provide us with the stability needed to invest in sustainable food production. And farming is still a significant source of CO2 emissions – a quarter of our emissions, and not yet going down. We need to invest and change now if farming is to deliver its share of the 80 percent reduction in emissions we need to see by 2050.

The next round of CAP reform needs to be based on environmental and social justice and economic prosperity. We also need to consider how we support farmers through the transition that climate change will bring, regardless of the details of the deal world leaders strike in Paris.

Consumers and governments need to play their part in the transformation, as do retailers and banks. CAP reform needs to be based on sustainable development principles to deliver the farming we need for our future. 🌱

# Scaling up short food chains

Short food chains are much more than a tool for improving farm incomes, according to a new EU report. *Moya Kneafsey* explains.

Short food chains have recently generated policy interest in Europe. The 2014-2020 Rural Development Programme of the Common Agricultural Policy recognises local markets and short supply chains within one of its six common priorities, and makes provision for member states to include support for these in their thematic sub-programmes.

According to European regulation, a 'short supply chain' means a supply chain involving a limited number of economic operators, committed to co-operation, local economic development, and close geographical and social relations between producers, processors and consumers.

It is important to note that this regulation recognises the importance of *social relationships* between people involved in the

## Scotland bans GM crops

The EU is under pressure from the US government and the biotech industry to reduce barriers to the cultivation of genetically modified crops, and the commercial growing of GM crops in Europe looks likely to increase. But the European parliament also passed a law this year giving member states, and devolved administrations like Scotland, new powers to ban GM crops on environmental grounds.

In August, Scotland became the first country to take advantage of the new law. Cabinet Secretary for Rural Affairs Richard Lochhead announced a ban, which will strengthen the legal force of Scotland's existing moratorium on GM.

Mr Lochhead said, "There is no evidence of significant demand for GM products by Scottish consumers and I am concerned that allowing GM crops to be grown in Scotland would damage our clean and green brand, thereby gambling with the future of our £14 billion food and drink sector.

"I strongly support the continued application of the precautionary principle in relation to GM crops and intend to take full advantage of the flexibility allowed under these new EU rules to ban GM crops from being grown in Scotland."

The ban does not apply to laboratory research on genetically modified organisms.



food chain. This reflects the fact that many people regard short food chains as much more than simply a tool for improving farm incomes. They can be used to reconnect rural and urban economies and communities, support environmentally regenerative farming methods, revive traditional skills and knowledge, re-localise control of food chains and deliver healthy diets. These goals, which go beyond the impacts on individual farmers, are seen as vital for distinguishing between initiatives which try to solve environmental and ethical problems in food systems, and those which merely seek to continue 'business as usual' without making radical changes.

The European Innovation Partnership set up an expert focus group to look at 'Innovative Short Food Supply Chain Management', with a particular focus on scaling up short food chains. The expert group will be publishing its report in Autumn 2015.

The report focuses on setting up and getting support for collaborative activities in which more than one farmer, food producer, organisation or individual agree to work together to develop short food chains for mutual benefit. It reviews evidence, provides case studies, identifies factors of success, and also barriers. It makes a wide range of proposals for further research, and for 'operational groups' which can be set up to promote short food chains. These 'operational groups' are a new feature of rural

## Towards a citizens' agricultural policy

The contributors to this magazine have highlighted many important issues around the Common Agricultural Policy, including unfair distribution of subsidies, inefficient public spending, and detrimental environmental impacts. But one issue that is rarely discussed is the disconnection between citizens and the CAP. What if this lack of democratic participation in agricultural policy was the real problem behind those other flaws?

Despite policymakers' efforts to improve the social, economic and environmental performance of the CAP, the policy is still at odds with citizens' concerns, farmers' needs, and environmentalists' demands. It has become clear that lobbying the European institutions is not enough to achieve the far-reaching reform we need. Better democratic participation in agricultural policymaking has to be the key to reconciling the CAP with societal aspirations.

We need discussions about European agricultural policy to extend beyond the Brussels bubble, and to involve more people, in more diverse forums. Nourish Scotland is committed to contributing to the widening of the debate. On 22 and 23 October, we are hosting a meeting in Edinburgh, together with European food and agriculture network Arc2020. The event will bring together citizens, farmers, campaigners, academics, Scottish and European politicians, and representatives from British cities, to rethink the governance of food and farming policies in Europe and Scotland.



development policy and are designed to bring together people from practical and scientific backgrounds to develop concrete solutions to particular problems.

The report identifies many benefits of collaboration. These include: improved product range available to consumers, resource sharing amongst producers and processors, maintaining local food chain infrastructure (such as abattoirs), increased negotiating power for groups of producers, reduced competition between small producers, and mutual support to combat isolation and stress.

The report stresses that the 'scaling up' of short food chains is not only achieved through individual enterprises increasing their size. Indeed, there is a risk that if short food chain enterprises increase in size, they are unable to adhere to their founding values and principles, such as the idea of 'reconnecting' farmers with consumers. For this reason, it is important to recognise that scaling up can also be achieved through the proliferation, co-ordination and connecting-up of many small-scale but complementary initiatives. Such initiatives can take a wide variety of organisational forms, including small and micro-sized businesses, social enterprises, community interest companies, co-operatives in various forms, and community-led initiatives, and these can be in rural and urban areas.

The report emphasises that if scaling up through 'proliferation' is to be achieved, there is a strong need for advanced collaborative skills, including trust-building and mediation, as well as a need for new financial models and reduced regulatory barriers to small and micro enterprises. 🌱

For more information about the European Innovation Programme and the focus group see [www.ec.europa.eu/eip/agriculture/en/content/innovative-short-food-supply-chain-management](http://www.ec.europa.eu/eip/agriculture/en/content/innovative-short-food-supply-chain-management)

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# Perspectives for a future Common Agricultural Policy

*Alan Matthews* looks at the big issues in creating a fairer, more sustainable CAP

Few people are happy with the outcome of the last reform of the EU's Common Agricultural Policy (CAP). Farmers dislike the extra rules and bureaucracy. Member state administrations worry about the complexity of implementing the new rules and the greater likelihood that they will be fined for making mistakes. Environmental campaigners are disappointed with the lack of ambition of the greening elements eventually agreed. Policy analysts question the rationale for the continued large untargeted transfers to farmers.

The last CAP reform was extraordinarily well prepared, beginning with an extensive public consultation in 2010. But the combination of a weak Commission proposal, the involvement of the European Parliament as an equal partner with the member states in the Council for the first time, and external events such as the 2008 food price spike and the 2009 dairy market collapse which changed the narrative from 'public money for public goods' to 'support our farmers to promote food security', all led to the unsatisfactory outcome.

The CAP budget will be reviewed when the Commission presents its proposal for the next Multi-annual Financial Framework for the years after 2020. This proposal must be made before the end of 2017 and will be approved by the European Council probably sometime in 2019. New draft regulations for both Pillar 1 and Pillar 2 of the CAP will be proposed at the same time, but whether these will mainly roll over the status quo or whether they will open the opportunity for a more radical re-evaluation of EU agricultural policy remains unclear.

The most fundamental question concerns the continued justification for a basic income payment to all farmers based on the area of

land that they farm. These payments were introduced as compensation payments for the reduction in support prices which started in 1992, but this is now more than 20 years ago. They are justified as a basic income support, but 80 percent of the payments go to the largest 20 percent of farms across the EU. The value of these payments is capitalised into land values and rents, so although they can benefit incumbent farmers, they increase the cost of entry and enlargement for new and expanding farmers. Although they are linked to compliance with good agricultural and environmental practices, the major criticism is that they are not targeted payments, so it is very unclear what the taxpayer gets in return.

Farmers now receive 30 percent of their CAP Pillar 1 support in the form of the green payment, in return for observing a small number of additional practices such as setting aside 5 percent of their arable area as 'ecological focus areas', ensuring arable farmers have a diversity of crops, and maintaining the area of permanent pasture. The environmental benefits from these measures, which were greatly watered down in the process of negotiating the last reform, are expected to be extremely modest, in part because changes in practices will be required only over a very small proportion of the utilised agricultural area.

Those campaigning for a more sustainable agriculture must make a strategic choice with regard to where to put their effort during the next review of the CAP. Should they try to build on the green payment in Pillar 1 and demand greater efforts from farmers to make

it more environmentally effective? Or should they campaign for a reduction in the Pillar 1 budget and the transfer of funds to additional agri-environment schemes in Pillar 2? If this were the option pursued, what would happen to the environmental measures farmers now respect as a condition of their Pillar 1 payments? Should some of these practices be included in legislation, so they are not at the whim of arbitrary swings in the CAP budget?

In particular, policies to maintain and improve soil health and soil organic matter deserve much greater priority, not only because of the consequences for farm productivity but also because sequestering carbon in the soil can be an effective means of reducing net carbon emissions. Agricultural policy needs to become much more 'climate-aware', both in helping farmers to adapt to the consequences of climate change, but also because agriculture will be asked to do much more to reduce net emissions under the EU's 2030 climate and energy targets.

How agriculture and the land use and forestry sectors will be included in the EU's targets is not yet decided, but the potential implications are significant. Red meat, for example, is a significant source of emissions and this is something that consumers need to be alerted to, most simply by a climate levy included in the price of meat.

On this evidence, despite 'reform fatigue' amongst member states and the European Parliament, the challenges facing agriculture require a more forward-looking policy than the one which emerged from the last reform. 🍷

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