‘PILLAR 2 ENVIRONMENTAL SCHEMES’

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The context for ‘environmental schemes’

- **Strengths**
  - A few months of vigorous growth at virtually no cost
  - Potentially healthy, robust stock
  - Positive associations (generally)
  - Producing lots of services for the consumer/taxpayer
The context for ‘environmental schemes’

- Weaknesses
  - Apart from the summer’s growth, everything paid for and more costly
  - Markets often weak; often price takers
  - Most things done cheaper elsewhere; others can enter or leave market easily
  - Differentiation difficult when major markets distant & potential suppliers many
  - Changing the system risks losing distinctiveness
  - Price not paying for the costs, especially the cost of family labour
  - Most of the other services are public goods
  - Alternative narratives, often expressed in black and white terms
  - Low level of innovation, limited perception that innovation is possible
The context for ‘environmental schemes’

- Marginality
  - A physical reality
  - Marginal because others are less marginal
  - Scientific and technical (and then distribution and marketing) changes are a central, fundamental and constant driver
  - Marginality won’t disappear through the actions of marginal farmers – *laissez-faire* and ‘transitions’ are not realistic
  - The gap for policy to fill is permanent
Reflections on current/recent policy

- Current policy is very complicated, and has some clear weak points, but some aspects to be commended given the current rules
- Not clear that all aspects worked well for crofting: not for inbye; especially not for common grazings
- Not clear that any Scottish stakeholders have really measured or reflected on this.....
- Or am I stuck in 2007-13??
A good test for any rural policy:

Does it work on common grazings?
Walls – one of 6 Shetland parishes with no Rural Priority AE uptake
Sandwick - another Shetland parish with no Rural Priority AE uptake
Stornoway parish – 1.8% Rural Priority AE uptake
Strichen parish – 78% Rural Priority AE uptake
A ‘crofting’ test sample

- 27 parishes where >80 of SPS+LFASS claimants have common grazings shares
- Contain 67% of all such claimants
- 27 of the 30 parishes with most such claimants in absolute terms
- 21 of 61 HIE Fragile parishes
Opportunity for some fresh thinking?

- Only some....
- Detailed rules from Brussels (and Edinburgh of course)
- Broader framework (some quite detailed) from WTO Agriculture Agreement, e.g.
- What Westminster decides, what Cardiff and Belfast decides.....
Reflections on possible future policy

- Likely to continue to need various layers of policy instruments to allow for variation and to balance targeting with wider safeguards etc.
- Opportunity for better feedback mechanism and adjustment of approach
- Continuity is to be prized when something works
- Whole system should be considered, not just selected fields – in HNV areas ALL policy should in some respects be ‘environmental policy’. No ‘pillars’, all measures ‘environmental’
‘Environmental support’ not just a matter of AE schemes

Advisory support another example of highly variable treatment where crofting loses out

SAC advisory office area
Objectives, not measures

- Need to have mutually compatible social, economic and environmental objectives (not contradictory signals)
- Needs to have a realistic scale and to make sense ‘territorially’ for all areas of Scotland
- Certainly needs to consider value for money (what to pay for, what to regulate against...), but needs to be equitable and decisions need to be coherent with the objectives
- Not just ‘on paper’ at the start and not forgotten afterwards
Crofting Counties ‘environmental support’ wish list

- A rough grazing pony with a LOT more tricks! (And more coherence between instruments)
- A much much better approach to common grazings
- A recognition of the benefits and additional cost of small scale mosaics (Small Units tried, but....)
- A move towards payment by results/public goods?
Time to look at a results-based approach?

- **Current approach**
  - Prescription-based; commandments
  - Lose sight of objectives in favour of box ticking
  - Farmer is just an agent; little room for skills, experience; farmer’s system is irrelevant
  - Experience shows there is little room for feedback/improvement
- Prescriptions sometimes work, so maybe price worth paying
- But often they don’t....!!
- There is another option – ‘results based’
What does payments by results involve?

- Agreement of objectives at farm/parcel level
  - Objectives framed in terms comprehensible to crofter
- Objectives translated into simple assessment criteria
  - Usually, surrogates are used
  - Ideally, farmer has possibility of changing score by adjusting management
- Crofter can decide how to achieve those objectives (and choose desirable score)
- The higher the score, the higher the payment
- May have mandatory elements or penalties for very low scores, but generally depends on crofter’s initiative, experience and skills
- Can be combined with other approaches, e.g. capital payments
Examples

- Hay meadow measures in numerous countries
Examples

- National results-based package in Austria, including one measure targeting whinchat
Examples

- Innovative schemes for meadow birds in the Netherlands, including some with farmers bidding for contracts.
Examples

- The Burren
Examples

- AranLife
Examples

- Yorkshire Dales National Park
Examples

Shannon Callows & lowland Leitrim, Ireland
Examples

- Approaches to predators in some countries (potential for management of other damaging species??)
Examples

- Dartmoor – only one on common land
A time to try out ideas?

- Some things easily imported from successful examples
- Most will need to be locally tailored, but by no means insurmountable
- Works best with not just local targeting but local involvement from the start
- Common grazings are particularly complex – needs more thought as well as a lot more discussion
- So time to start is now!
- Worth finding out more at least??
- Ready to help....
If not now, when?