

NEWS RELEASE
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STFA URGES REWARD FOR FARMING ACTIVITY

In responding to the Interim Report of the Pack Inquiry the Scottish Tenant Farmers Association has welcomed the emphasis placed on continuing direct support for active farmers and the public justification for doing so. It has also urged the Scottish Government to bring the current scheme up to date as soon as possible by carrying out a remodelling or rebasing of current support arrangements to ensure only those actively managing the land receive support payments.

STFA acknowledges that the historic regime is now out of date and has developed anomalies which make it no longer acceptable. It has become a scandal that new entrants are still barred from single farm payment and there is general agreement that non-active farmers should no longer receive support payments.

Commenting on the report, chairman Angus McCall said: "We all realise that change is needed, but it must not take place at the expense of farming businesses. We must avoid massive redistribution of payments and we must ensure that there is an orderly transition to a new system. To this end we are recommending that, following a re-alignment of historic entitlement to single farm payment to reflect current activity, including that of new entrants, the industry should begin the transition to a new scheme. We appreciate that such a move is not currently permissible under EU regulations, but we believe that there will be scope to amend these regulations as the EU begins its move to an area base.

"We believe that Pack's model of direct payment and the Top Up Fund could be the genesis for a workable scheme. However, we remain concerned that a move towards a flat rate scheme will only serve to hike up farm rents and act as a disincentive to let out land. This will particularly be the case should area payments be extended to forestry plantings, STFA believes that the SRDP is a more appropriate place to provide assistance for the forestry industry.

"To encourage land to be let and to reduce pressure on rents STFA would like to see area payments restricted to a minimum level and supplemented by a Top Up Payment which would reflect the level of individual productivity and the contribution at farm level made towards delivering public goods. We

believe that an early move post 2013 to such a system would allow support payments to be directed towards new entrants. STFA members have expressed concerns that the proposed TUF may not be a suitable model for the arable sector and have, therefore suggested that arable farming should be subject to a separate area based scheme.

“Pack suggests that the new scheme should take the form of a contract between producer and government, STFA shares this view and firmly believes the principle that farm payments be attached to the occupier rather than the owner of the land be upheld.

“Whatever shape or form the new system takes, it must encourage a healthy, profitable and vibrant agricultural economy to ensure that agricultural is able to continue to deliver the downstream benefits expected of it. Existing businesses must not be destabilised by sudden change and future schemes must encourage and reward farming activity and productivity.”

For further information and for copies of STFA’s response please contact:

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