



Alyn Smith

Agriculture Spring 2013

Dear Friend,

Welcome to the spring edition of my newsletter for Scotland's agriculture and rural economy sector.

The last few months have been testing for everyone, whether it is because of the ongoing battle with bad weather, the discovery of horse meat in various different places (and never where it should be!), or the need to wade through several thousand amendments to the new Common Agricultural Policy (CAP). Either way I hope you'll find this newsletter useful in keeping you up to date with how I've been representing your interests in Scotland, Brussels and further afield.

As a member of the European Parliament's Agriculture Committee, my north star is making sure that Scottish farmers and producers are getting the best deal possible from Brussels. This is important all year round, but obtains a crucial importance as we negotiate on the CAP - these discussions decide the shape and priorities of European farming for the next seven years.

We are, finally, beginning to see the final shape of the CAP from 2014 to 2020, although things aren't quite finished off yet. The Parliament has now finalised its position (see page 2 for more information on that), as has the Council, and so the next step is for the three sides of the EU triangle (the Commission, the Parliament and the Council) to get together and come to a final position. This will be done in a series of "trialogues" (i.e. dialogues but with three parties) taking place over the next three months. In short, we should be seeing a final agreement in June - still within the Irish EU presidency.

It is up to the Scottish Government to deliver the outcomes of these talks, but it can't currently influence them directly. This has the potential to be disastrous. For instance, DEFRA's

position is that we should see the end of Pillar One money and direct payments, even though it is precisely this money which is keeping tens of thousands of Scottish businesses afloat and also hundreds of thousands in our wider rural economy in a job. In terms of rural development in Pillar Two, we already receive the lowest allocation across the whole EU - an astonishing average of €9 per hectare, compared to a UK average of €15 and an EU average of €115!

“Our rural industries are vital to the whole Scottish economy, providing our food and protecting our unique habitats and landscapes. They are an integral part of who and what we are ”

It is plain and simple to me that the current set up is just not working in the best interest of Scottish farmers and our rural communities. I have no doubt that we would be better off independent, able to fight for ourselves and make

sure our position is put forward as forcibly as the Irish do with theirs, or the Poles do, or the Spanish. A Scottish Agriculture Commissioner? I can't wait to see the day!

So there's plenty going on to keep me busy in the run up to the referendum in 2014. In the meantime, I'm keen to help you as much as I can. You can register for future issues of this newsletter on my web site at www.alynsmith.eu - and if you'd like me to pay a visit to your business, institute or community, then please do get in touch.

In the meantime, I wish you a warmer and drier spring than the one we've seen so far!

Yours for Scotland

Alyn Smith MEP



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European Parliament position on CAP reform set

The European Parliament has now voted on the shape of the Common Agricultural Policy for 2014 to 2020.

The four reports which were proposed by the European Commission last year and which make up the reform (Direct Payments, Rural Development, Horizontal Measures, Single Common Market Organisation (CMO)) have now been amended by MEPs in order to form the European Parliament's negotiating position which will dictate the direction of discussions with Council.

Speaking after the vote, Alyn said:

"This final vote has been a mixed bag with a few steps forward, a few setbacks but, by and large, I am quite satisfied with the result.

"There were a few red lines for me on the Direct Payments Report. However, thanks to the failure of the attempt to delete coupled support and the rejection of efforts to include mandatory but unworkable crop rotation measures, I was pleased to add my support.

"Rural Development, the report for which I was Shadow Rapporteur, saw the firm rejection of double payments by the Parliament. This should never have got through Committee and so underlines the value of these final full Parliament votes. Less Favoured Area reform has also been officially postponed for two years until we have adequate data upon which we can base our discussions which is a good move.

"On the report on Horizontal Measures, we have seen all the cross-compliance measures that were taken out in Committee put back in again. This, unfortunately, includes EID. I hope to



Alyn in a committee meeting in the Parliament in Brussels.

see the Council take a more pragmatic approach on this point in the forthcoming negotiations and am disappointed that the Parliament missed this chance.

"Further, the small farmer retirement scheme is an embarrassment and should not be in the final report. Paying farmers to leave farming is a poor use of public money and undermines the need for diversity in farm size and types of holding - small farms are not necessarily inefficient as we have plenty evidence in Scotland.

"There is still some way to go before we can see the final shape of agriculture and rural development in Europe for the next seven years, but judging from this vote, there is much that can be welcomed for Scottish agriculture."

More information on each of the four reports is available below:

Single Common Market Organisation

I decided to reject this report in the end, because the two big packages on milk and on marketing standards remained unchanged. The crisis in the **milk sector** is ongoing, and this offers further incentives to produce for export instead of managing supply. There are also no means to use marketing standards to improve quality, local food supply and traceability.

On the positive side, we saw the inclusion of positive wording in the **fruit and milk schemes** which now include measures for improvement of eating habits of children, (not only school children); and an exchange of best practice in "advanced sustainable production systems".

There are also measures which could improve **bee health** through the use of alternatives to pesticides, precautionary measures and support for farmers and beekeepers through cultivation of bee-friendly crops.

However, and finally, with export refunds remaining as a dumping tool, and all calls for more policy coherence with development policy of the EU rejected in the horizontal measures, there were simply too many negative points for me to be able to add my vote in support.

Direct Payments

My vote in favour of the direct payments regulation reflected a broadly satisfactory result in which several amendments of critical importance to Scottish farming were passed. The three proposed **greening measures** have been made more flexible: crop diversification for farms of less than 30 hectares of arable will be only two crops, and ecological focus areas (EFA) will be phased in over a number of years from 3% to 7% of the farm. Scotland's unique grazing landscape has been recognised in the definition of eligible pasture which includes **non-herbaceous grazing**, and a strong definition of an **active farmer** includes the "Scottish clause", which allows Scotland to set minimum activity requirements, thus solving the "slipper farmer" problem.

Scotland's **new entrants**, and their need to reach a level playing field in entitlements with established farmers, have been recognised in two ways. They will be eligible for the initial grant of entitlements in the first year of the new scheme as long as they can show they were actively farming in 2011 through, for example, the submission of an IACS form. They can also receive support through the National Reserve, both through the grant of entirely new entitlements and through the top up of

existing entitlements of low value. Basic payments to individual recipients will be **capped** at 300,000 EUR with the redistributed surplus staying in Scotland for use in rural development, and **coupled support** can be used at up to 15% of Scotland's national envelope, and for any agricultural product in Annex I of the Treaty, which would include venison. We will also have more flexibility in the **transition to an area based system** by 2020, with no requirement for absolute convergence in all payments per hectare by 2020. Scotland can also decide how much money to transfer from Pillar I to Pillar II under the **flexibility mechanism** (which used to be called modulation).

Unfortunately, the Parliament voted to return to the Commission's proposal on **greening**: so instead of being able to qualify for greening through a number of options such as participation in an environmental certification scheme or having 75% of their farm as permanent pasture, farmers must do the three greening measures of crop diversification, permanent pasture and EFA. I hope that these issues will be resolved in discussions with Council. I also disapproved of the possibility of coupled support for **tobacco**.



I also voted in favour of the rural development regulation. My main concern from committee - that **double funding** would be allowed for farmers using greening in Pillar I and agri-environmental schemes in Pillar II (illegal under EU rules) - was adequately addressed: the double funding possibility was deleted. There are many other positive aspects (bearing in mind that individual rural development programmes are optional and much depends on how our authorities will choose to design the programme), such as support for **community ownership** of basic services and infrastructure in rural communities, the postponement of the reform of the **Less Favoured**

Rural Development

Areas Support Scheme for two years to allow for a proper assessment of the consequences of a move to biophysical criteria, a **ring fence** of 25% of funds for agri-environment and organic schemes, and 5% for the LEADER programme, and business support aid for **young farmers**. However, I am very sceptical of the **risk management** proposals for public subsidies for crop insurance and an "income stabilisation tool": this does not encourage land managers to avoid risk, and it also risks swallowing up a large part of the rural development budget, and would subsidise the profits of insurance companies.

Horizontal Regulation

I voted against the horizontal regulation, chiefly because of the loss of our major victory from committee: the notorious regulation on **electronic identification of sheep** had been taken out of cross compliance, but plenary voted to put it back in. Also, requests by the Scottish Government on including extra clauses from the **Birds Directive** in cross compliance were rejected. On the positive side, there are improvements to the control and penalty regime particularly with regard to **cross compliance**. The **penalty system** has been made more proportionate, with penalties only if the non compliance

is "directly and unequivocally" attributed to the beneficiary, and the authorities can set up an **early warning system** applying to first time cases of non compliance which are not severe, consisting of a warning letter and a year's grace to correct the error. The new Commission proposals to increase CAP **transparency** by publishing the details of CAP beneficiaries and the money they received were approved. Also, a number of cross compliance standards on food safety and controlling TSE, which had been deleted in committee, were taken back in.

Alyn backs local butchers as horse meat scandal grows

Alyn demonstrated his support for buying local and eating Scottish - by lending a hand at his local butchers'. He spent a Saturday morning working behind the counter at Mathieson in Ratcliffe Terrace, Edinburgh.

With many Scottish consumers now deeply worried about the transparency of supply chains, shoppers are choosing to return to their local butchers, who they often know and trust.

Speaking ahead of the visit, Alyn said: "I'm really looking forward to doing this and to talking directly to customers about the fantastic quality of our Scottish meat.

"I fear the horse meat scandal hasn't gone away yet. Obviously I welcome the fact that people are now turning back to their local Scottish butcher, but this whole sorry affair has highlighted the need for nothing less than a food revolution.

"Consumers need to connect more closely with retailers and producers - and, of course, by supporting their local meat traders, that's exactly what they are doing."

News In Brief

Neonicotinoids decision postponed again

With growing evidence of the harmful impact of neonicotinoids on bee populations, the EU's Standing Committee on the Food Chain and Animal Health has once again postponed a decision on the proposal to put in place a precautionary ban on these pesticides. The Committee will return to the issue in May.

Alyn said: "The potential consequences for agriculture, food and humankind of a continuing collapse in pollinators are stark. In any objective discussion there is always room for doubt but the more credible data is clear - there is a case to answer and there is a need to act."

Emergency authorisation of Asulam approved

Earlier this year, the Chemical Regulations Directorate decided to approve the emergency authorisation of Asulam, a chemical which is used for aerial bracken spraying. Alyn welcomed the decision, saying:

"Asulam is an important tool for our land managers and alternatives on the market have so far not proved convincing. The full authorisation process for using Asulam to manage the spread of bracken remains under consideration and I will be monitoring developments carefully to ensure that we do all that is possible to see that Asulam receives this full authorisation."



Alyn works with his local butcher to promote buying local.

He continued: "There must also be stronger vigilance to protect against those who would abuse the system for personal gain, and a fairer deal for those who produce our food in the first place. Buy local, and you'll help with all these things."

Infringement proceedings on sow stalls begin

Last month saw the European Commission confirm that infringement proceedings against member states that are still flouting pig welfare requirements have begun. Alyn reiterated his call for tougher action, including closing the borders to exports of product from non compliant countries, and considerably bigger fines against the member states than those envisaged.

Alyn commented: "Long phase in periods have been systematically exploited in order to pinch as much from the penny as possible, and so going forward I think we need to reassess how we measure ongoing progress towards full compliance if we wish to avoid these situations from reoccurring in the future."

Getting in Touch

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