

Hugh Raven, 5th March 2010.

SUMMARY

The Pack Inquiry interim report is a very useful guide to the issues that will determine the future of agricultural support. However, it is heavily based on an assumption that a large-scale increase in food production is required. This assumption is not tested, analysed or justified.

Its recommendations propose a balance of funding to farming that will favour larger-scale producers through area-based payments rather than through rewarding provision of public goods. Justification for this pattern of payments is missing from the report.

It contains little recognition of the importance of agriculture to climate change, and no detail on the important role appropriate farming systems can play in addressing it.

Reference to organic food and farming, and the many public benefits it provides, is entirely missing.

Soil Association Scotland welcomes the interim report from Brian Pack's Inquiry, and the opportunity to submit additional evidence.

We welcome the report's thorough and thoughtful coverage of the global influences affecting agriculture. We are also pleased to see a very clear message that support for agriculture is vulnerable, and has to be conditional on delivery of public benefits. Also encouraging is the importance attached to the solutions farming can provide, not just the problems.

However, we are disappointed in a number of respects. Our comments here combine comment on what is in the interim report, and suggestions for what we think should be addressed in the final inquiry outcome.

1. The report could and should have been much stronger in analysing the projection that vastly increased volumes of food will be required in future. The report cites uncritically the figure, purportedly accepted by the United Nations, that a 50% increase on what is produced today will be required by 2030, and double current levels by 2050.

This is a huge assumption - which disregards the twin facts that

- a) Globally, there are significantly more people overfed than undernourished; and

- b) it is clear that many diets in the richer countries can and will have to change to become less resource-intensive, and to address other pressing issues - not just obesity and health, but also climate change.

As has recently been pointed out by the Foresight panel report on the challenge of feeding nine billion people, "The goal [for food production] is no longer just to maximise productivity, but to optimise across a far more complex landscape of production, environmental and social justice outcomes."

This critical point, and the logic behind it, is entirely missing from the report.

2. The report is weak on greenhouse gas emission reductions, particularly on the need for reduced emissions and for increased sequestration of carbon from agriculture.

According to the IPCC, 80% of agriculture's potential to cut greenhouse gas emissions lies in soil carbon sequestration. This can be achieved through restoring peatlands and adding carbon-rich organic matter to agricultural soils, rather than relying on artificial fertiliser.

In this respect, organic farming has an important role to play. Leading UK soil scientists are agreed that organic farming will increase soil carbon wherever it is practised (Soil Carbon Symposium, Newcastle University, October 2008 – please see Appendix). The available research shows that on average organic farming 'locks away' between 21% and 28% more carbon than non-organic practices.

3. The report is very long indeed on background comment: it risks being a Ladybird guide to the purpose of agriculture, history, EU enlargement, etc. - matters with which we imagine a majority of readers will be familiar.

4. It raises important public benefit issues, such as biodiversity, but contains little or no detail on how provision of these benefits might be encouraged. The report risks being seen to rely on an assumption that if the larger, lowest-cost farmers are rewarded, the necessary public benefits will follow. It is weak on the justification for Pillar 1 support, and on the balance between Pillars 1 and 2. In our view, it is far too favourably disposed to Pillar 1 payments.

5. The section justifying direct payments is weak - the justifications given being strategic importance of food production, and the public benefits delivered by agriculture. We agree with both, but regret that the reasoning for both is largely absent from the analysis.

6. Regarding the crucial issue of the ratio between direct area payments and the proposed top-up fund - helpfully highlighted by the report - it is very hard to see justification for the proposed ratio of 2:1 (unless, at least, a much stronger rationale for direct area payments is produced than is to be found in the paper).

Indeed the report is contradictory – insofar as it states that the rationale for the distribution of funds under the SFP is now indefensible; yet it also hints at wanting to retain the pattern, at least, of that distribution. We disagree. We believe payments should be mainly related to public goods.

A reversal of the report's proposed ratio, to give a proportion of 1:2, would seem to us more appropriate, given the vital importance of the type of public benefits that will be rewarded under the top-up fund.

Top-ups, in rewarding public benefit, will be relatively easily justifiable to a tax-paying public in times of public expenditure stringency. Direct area payments (which, as the paper points out, would easily be characterised as remuneration for the simple fact of owning land), would be much harder to justify. In the event of serious budget cuts, the top-ups, in our view, should take precedence - contrary to what the paper suggests in recommending that area payments should have higher priority.

7. Regarding some of the detail of the report –

- there is no explanation for the bold and dogmatic statement that attempts to nationalise CAP support should be resisted;
- nor is the proposal for a 40-cow headage limit under the 'cows in LFAs' section explained or justified;
- nor is it explained how the proposals for re-coupled payments for lambs in NW Scotland could be accepted by the European Commission, in the light of its 'abhorrence' (the report's own term) of coupling aid.

8. We regret the absence of reference to organic farming from the report. We would be delighted to provide the inquiry with

- a) evidence of the many public benefits of organic farming (as recognised by the Scottish Government, and specified in its supporting documentation for the Scottish Rural Development Plan); and
- b) data on popular support for organic food and farming.