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### **CROFTING: REDIRECTION and REDEFINITION REQUIRED?**

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The views expressed in this paper are those of the author and do not necessarily represent those of the SCF or any other organisation mentioned.

#### Chairman, Ladies and Gentlemen

We have just come through a period of reflection on crofting with the consultation on the Shucksmith Report (1) at its core. One of the issues that have hung about crofting for a long time is that of tenancy versus ownership. Frankly I have never heard a convincing argument that this issue should be discussed at all. Each and every crofter should have the right to choose whether they wish to be a tenant or an owner according to how they wish to develop their crofting land and the activity of crofting on it. I am pleased to say that is now the case but the issue may have been better dealt with by deleting the terms from the legislation altogether.

Tenancy as practiced in crofting very often leads to subservience and conformity. You are occupying land that you or your predecessors have improved but it is plain and simply not yours. Others can still decide your fate despite the protection offered by the 1886 Act. Why then do we have a land tenure system where the only asset the crofter may not own is the unimproved land on which the property sits. Is it surprising in that type of tenure that little investment is put into crofting or that some have walked away from crofting altogether.

With regard to owner occupancy, that is proper owner occupancy and not the ridiculous situation we have had in crofting of turning out to be a 'landlord' of a vacant croft even when you are living and working on it, the fear of some is that you will sell up for housing or some other lucrative non-crofting development. There are certainly cases where that has happened which has given grounds for concern for crofting as a whole. Crofters do however have the right to expect a fair return for their efforts and for their contribution to the development of the community in which they live. All property has a value so who does the value of that property belong to if not to the owner or occupier?

In either case i.e. tenancy or owner occupancy regulation is essential for the protection of crofting. The restructuring of the Crofters Commission, now to be the Crofting Commission, to focus on regulation is an essential first step. I was not in favour of there being an elected element of the board of the Commission when it was first proposed. But if the level of participation by crofters is high I can see merit in both the process of election and the outcome. There are too many in crofting willing to grumble into their teacups and not speak their minds at the right time. The opportunity is there for them now to put themselves forward. There is no excuse.

However while the protection of crofting has to be based on regulation, the future of crofting as a land based system will depend in significant part on the broader issue of food and agricultural policy. That policy must be reformed and based on the needs of all society and on national dietary and health requirements.

The SCF is a member organisation of La Via Campesina. Their ethos is that food is a basic human right. Access to sufficient, safe, nutritious and culturally appropriate food should be enshrined as a constitutional right achieved by prioritising national primary agricultural sectors. Food as an item of trade should be only a secondary consideration.

On that premise the CAP reform process which sets out to enhance competitiveness and promote market orientation is fundamentally wrong.

The difference between these two policies will determine the form and scale of output from the land which we can anticipate in the foreseeable future.

Access to land is also a basic human right. We and our fellow landholders are privileged elite blessed with a wee bit land. We concern ourselves with the rights and obligations within the crofting system. Shouldn't we be as much concerned with the majority of the population who are excluded from occupying the land?

There has been much debate about these issues in recent times and indeed you may be bemused at the thought of opening up yet again what crofters, politicians and crofting administrators believed to be settled issues for some time ahead. Not so. As with every sector the world about us changes and impacts on our lives and activities. Indeed crofters themselves have often been the prime motivators in creating change. We may live in a geographically remote area but we do not and indeed cannot operate detached from the rest of society as anyone keeping abreast of policy formation in the SCF knows.

Furthermore, crofting may cover no more than 17 per cent of the land in the crofting counties at the present time but it is the aim of the SCF that one quarter of the land in Scotland should be under crofting tenure by 2030. That is an ambitious target which is unlikely to be achievable without a massive change in culture and thinking with regard to food and land use in this small but varied country of ours. Nevertheless it is in my opinion the top priority which the SCF must address immediately.

I have not interpreted the SCF statement as intending to restrict this exercise to the remote or hill areas of the country. We would therefore be driving a land holding system into other parts of Scotland i.e. into an area where the land capability is significantly different from that in the traditional crofting areas. To put this in perspective, according to the James Hutton Institute (2) about 28.5% of the area of land in their Land Capability for Agriculture Classification in Scotland as a whole is in classes 1 - 4. In broad terms that is what we have called in the SCF 'cultivable land'. The corresponding figure in the Highlands and Islands is not quite 9% and for the crofting areas is probably less as crofting settlement generally took place on the poorer ground.

At the very least therefore we would be looking at a pattern of agricultural activity that is significantly different from crofting activity at the present time or even the recent past and as we know the objective of an agricultural system is an important determinant of the land use system on which the occupiers have to operate. We will, for example, almost certainly have to move away from the monoculture forms of management of sheep and cattle which we have on common grazings at the present time towards rotational systems. That will require considerable innovation and significant change in the way common grazings and indeed other hill land are managed. One thing is certain however is that any abandonment of the concept of regulated common grazings would seriously undermine crofting.

If crofting is expanded beyond the present crofting areas therefore how far does it grow before that expansion poses a direct challenge to the traditional image and cultural attachment of crofting to the Highlands and Islands? Is that a question that matters? Would an expansion of the crofting system perhaps even reinvigorate crofting within the traditional crofting areas? Indeed we may even ask if crofting is the right model. Even if the answer to each of these questions were negative it would still be my opinion that this organisation must be in the forefront of driving towards smaller-scale agriculture in this country and I hope by the end of this paper I will have adequately explained my reason for saying that.

Crofters, let it be said, primarily through the initiative of the SCF and its predecessor the Scottish Crofters Union, have ably demonstrated the important role small scale farming systems can have in supporting populations in remote and disadvantaged areas, in maintaining biodiversity and landscapes and in creating and supporting development.

We have had to fight hard for support against the vested interests of our larger brethren who are not able to offer these public benefits to the same degree. So we must be able to demonstrate not just to government but to the wider Scottish population the considerable advantages that small-scale agriculture could bring outside the crofting areas to the rest of Scotland as well as extending it within the Highlands and Islands.

I referred earlier to the important role attributed to crofting in retaining rural populations. Like many others in this room I am an advocate of small-scale agriculture and I believe its role in society has been underestimated and indeed damaged by recent and current agricultural policy. Crofting as with all small farming activities needs protection because present policy encourages acquisition and accumulation of land holdings. Crofting has no meaning unless crofts are restricted in size otherwise it is merely full-scale farming carried out on holdings under crofting tenure. Many of the advantages of crofting such as support for community activity and maintaining rural populations are lost under these circumstances.

I should imagine there will also be objections from some quarters to focusing development on small rather than large farms on the grounds that the large farms will be better able to respond to new technology. However, there are organisations, including I am led to believe the UN, who are advocating private smaller-scale agriculture as the answer to world hunger. But to achieve that objective innovation must be better co-ordinated and there has to be an increase in resources for agricultural development as well as prevention of further degradation of soils around the world. In this country therefore we need a much more positive commitment in policy by recognising that small-scale farming and crofting is at least equal to if not in fact more important than current large scale systems in expanding food production, managing public benefits from agriculture and indeed in caring for the land.

One method of limiting the size of holdings is by regulation i.e. directly restricting the extent to which holdings or land can be accumulated into the hands of one individual. There may be objections to that for example where a croft is left to someone who is already a crofter. Is it right to interfere with an inheritance in this way? There may also be objections to it being applied to an existing holding. However I believe the matter deserves some serious consideration especially as it would have a clear policy objective which cannot be said for much of the existing regulations.

The alternative is to approach this question by incentive through financial or fiscal measures. On the question of financial measures a much higher rate of support must be given to the crofters and others with smaller enterprises. The distinction between rates for small and large recipients of support must be much wider than any in place at present. The disadvantage I see is that it may be difficult to engage the wider public in a matter which they do not see as directly relevant to them. The use of fiscal incentives however is a subject the wider public is more likely to take an interest in. After all who is not interested in taxes!

What possible models are there for land taxation? Well we should look for opportunities for people to produce as much of their own food requirements as they wish and they should be given the opportunity to have access to land to do so. Is that feasible?

There are almost 2.2 million hectares of <u>cultivable</u> agricultural land in Scotland and there are 5.1 million people in total, that is 0.42 hectares or just over an acre per person: four acres for a family of two adults and two children for example. I am not suggesting they must have that. What I am saying is they have the right to that either in sole occupancy or by joint occupancy with others. I am also not suggesting that an individual should not have more than that but what I am saying is if you do you should be liable to a progressive rate of land tax according to the total area you have. Look on it as a rent: the more you have the more you pay. Fair? At least it is a disincentive to expansion of holdings and depopulation of the countryside.

But there is a more important issue that can be dealt with almost immediately. In the counties of Perth, Angus and Aberdeenshire all of which at one time had croft holdings there are restrictions on planning which means that it would necessitate a change in planning policy to establish new family holdings in these areas. In other words there is a policy to exclude people who wish to work the land for themselves. We have also seen similar moves in Argyll.

There are important key policy measures if small-scale is to remain sustainable.

Firstly, the primary purpose of a national policy for agriculture in Scotland must be for the production of food in a safe manner to meet the dietary and related health needs of the population of this country both now and in the future. Policy measures must be directed towards that end. This means that I do not see crofting and farming activities which result in regular exporting as necessitating support from the state. They are purely commercial activities and should be treated as such.

Secondly, as many of the population of this country as possible should be encouraged to engage in the production of their own food. That is a necessity because people should know more about their food and need to have a great respect for the work that is going into producing it. Population engagement needs to be at the heart of policy and that means in essence a redistribution of land so that we are looking at a nation of small holdings. Furthermore, people who produce their own food are in part at least outside the monetary economy and the effects of financial challenges are mitigated.

Thirdly, we must limit our dependency on imports of food from countries that are poorer than ourselves. I am not an advocate of international trade in food, as you may by now have guessed and especially not free trade as advocated by the more powerful states in WTO. For people in rich countries like ourselves buying food at low prices from countries poorer than ours is in effect degrading their soil and destroying their land. I fail to see the point of trying to mitigate the impact of centuries of soil degradation in this country by merely transferring the problem to someone else's country.

Fourthly, support must be for the level of activity undertaken and should be completely disconnected from the area of land held. In other words recipients should be paid for what they do and not for what they have. High labour intensive activities such as horticulture, production of home grown fodder and on-croft processing would thereby be encouraged without necessarily undermining properly managed extensive livestock systems. But there should be an upper limit per person on all support payments and that should bear some relationship to the income from similar skills employed elsewhere in the economy.

Finally, crofters should not only be permitted to make purposeful use of their croft for a wider range of activities as now allowed by legislation but must be positively encouraged to do so. Saying that such a use should 'not affect the croft' is restrictive. Such use should be permitted if it can be shown that the croft can be restored to its original state at the end of a project.

The title of this presentation 'Crofting: Redirection and Redefinition Required?' was intended as a rhetorical question. However any outcome for crofting and crofters can only be achieved if incomes are adequate. Young prospective crofters have indicated they will abandon crofting if incomes are not high enough. In carrying out a survey of crofting for the COIOC, George Street Research (3) estimated croft household incomes in their sample to be around £21,000. That is around three-quarters of the national average household income. I leave you with the question which is not rhetorical: is that adequate for a crofting household to take risk on new ventures or to fund investment?

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## References:

- (1) Committee of Inquiry on Crofting: Final Report www.croftinginquiry.org
- (2) The Hutton Institute <a href="www.hutton.ac.uk">www.hutton.ac.uk</a>
- (3) George Street Research www.george-street-research.co.uk

<u>Acknowledgement:</u> Professor John Wibberley for drawing attention to the role of smaller-scale farming as advocated by the UN and others in alleviating world hunger.