CONSORTIUM RESPONSE

By email to: [Redacted]

SRDP 2014-20 Stage 2

Confor welcomes the opportunity on behalf of its membership to submit its response to Scottish Government’s consultation on the above.

Confor is a members’ organisation, funded by and accountable to businesses in the forest industries. Our aim is to promote the market for wood, forest products and forest services, and to help improve the industry’s competitiveness. Confor’s remit covers all parts of the industry supply chain, from nurseries through to woodland owners, timber growers, contractors, harvesters, hauliers, sawmills and other processors.

General comments

This is an ancillary response to that submitted to the online consultation, as there is insufficient space online to give a proper response. In this document our online response to the questions in **bold** is repeated in normal black ink, with ancillary comments highlighted in yellow.

As a sector, forestry delivers huge economic, carbon and biodiversity benefits for Scotland. As the downstream processing industry has grown, the value of timber has increased. Forestry needs to be recognised as a financially attractive land-use option for farmers (upland sheep farmers in particular) and other land-owners. If Scotland is to get close to meeting its ambitious carbon reduction targets then it cannot afford not to support further tree planting. This planting, especially the 60,000ha of proposed commercial softwood, is also vital if we are to secure the future of a successful rural industry.

Section 4: Budget for SRDP 2014-2020

Q1. How would you rate your satisfaction with the budget as a whole?

Very dissatisfied

Confor was disappointed with the decision to restrict the transfer of money from Pillar 1 to Pillar 2 to just 9.5%, and is concerned with Scottish Government’s declared priority for SRDP to remain so focussed on agricultural support. Nearly twice as much money is proposed to be devoted to LFASS - despite the widely acknowledged failures of that support scheme as is proposed for the Forestry Grant Scheme.

The major problem for private sector forestry is that the budget proposals are wholly inadequate to deliver the Scottish Forestry Strategy. The £36m per annum budget proposed has remained the same since 2007 with no allowance for inflation, yet far more is expected to be delivered in 2014-20 than before (of which more later). This is well illustrated with the fact that in 2014 we should almost achieve, for the first time, the planting target of 10,000
hectares - but this the 9,500ha expected to be planted by the private sector will require about £42m, and it will be a year when most other forestry support measures will not be available.

The level of grant that it is necessary to offer - to entice investment in new woodland creation - is well established for the different models of woodland. It currently averages about £4,500 per hectare, but this is higher than required to meet Government's target mix of commercial and native planting, due to the high percentage of more costly native woodland planted during the last few years.

Because of the nature of many support measures in SRDP 2007-13, the new programme carries with it an ongoing burden of secondary legacy payments for SFM (Sustainable Forest Management), restock and new woodland creation (NWC) claims, which are presently amounting to somewhere in the region of £9m per annum. Thus our annual budget is curtailed before we even start to support new work.

And to make matters worse, a further demand will be made of future SRDP forestry funds by the inclusion in this funding stream of WIAT - possibly £1m per annum (para 213), and the introduction of new support measures for tree health and agro-forestry.

Consider the following scenario:

9,500 hectares @ average say £4,000 / ha £38m
Legacy grant payments, say £8m
Incentives for existing woodland £10m
New support for pests & diseases (e.g. larch) £4m

Total annual budget requirement £60m

Possible ways to ameliorate the forestry budget problems:

1 Why must SRDP be seen as the panacea for everything? Confor believes there must be alternative ways of funding many of the non land-based support measures proposed for SRDP funding, and do these measures really need so much funding anyway? Consider:
   • Small Rural Business Scheme £20m
   • Business support - Food and Drink Support £70m
   • Knowledge Transfer and Innovation Fund £10m
   • Advice £20m
   • Broadband £9m
   • Technical assistance (Rural Network) £15m

2 Plant health is a newcomer to potential support under CAP, which is welcomed in principle. However, Confor believes that particularly in respect of supporting work following the devastation of larch crops that has been, and will continue to be wrought to our countryside by Phytophthora ramorum, there is a case for this to be aided from central funds outwith SRDP. Alternatively increase the forestry budget so that it can cope with this new disaster, which many have likened to Foot & Mouth Disease.

3 LFASS - this scheme is essentially another part of Pillar 1. It does not deliver rural development, but for most recipients merely supports the status quo. Confor is aware of and is sympathetic to the argument that too many changes at once, and more to the point changes in subsidy, could be confusing to some upland farmers. However, change in direct support for farming is inevitable and will reduce over time. Refusing to start the process, however uncomfortable for some, is not logical. We suggest
cutting the LFASS budget by 10% now, and/or at the very least curtailing the budget for support for ANCs in 2017 or whenever the change is introduced.

4 Focus 'forestry' money on core activities and fund project type or short-term activity from elsewhere. These latter activities, including WIAT, peatland restoration, plant health and agro-forestry, place new, additional financial burdens on the forestry 'pot', viz:

• WIAT – Woods In and Around Towns are very desirable assets for the nation, but are very expensive to establish and to maintain. The work of the Central Scotland Forest Trust, and the Central Scotland Green Network has been very successful, and woodland cover in central Scotland is now at or above the national average. Whilst Confor supports this work in principle, its benefits are primarily outside of the forestry sector.

• Peatland restoration – any work associated with peatland restoration, including the emerging ideas for “transition woodland” should be funded from the Agri-environment-climate budget, and not from the forestry 'pot'.

• Plant health – already referred to above as more desirably being funded outwith SRDP. However if we retain funding via SRDP, then the forestry budget must be commensurately increased. This is particularly relevant for any work on the National Forest Estate, since for the first time work on public state forests may receive funding under the rural development regulations.

• Agro-forestry – in most instances, this will not produce mainstream forestry outcomes. If support is to be drawn down under any such option, then the funding should come from the agri-environment-climate budget, not the forestry 'pot'.

Section 5: Rural Regional Delivery Partnership for Land Based Investments

Q2. Are you broadly satisfied with the new application and assessment process for land based investments outlined in Section 5?

Quite dissatisfied

As important as what support is available to forestry is the system that delivers that support, and as the McRobbie report testified, SRDP 2007-13 was a poor experience for our sector. Although written from a forestry perspective, this report had relevance to all involved in SRDP. We are now in a new age of RPID driven, risk-averse, audit sensitive processes, which have induced an unhealthy aura of distrust between applicant and administrator. The woodland officer is no longer a facilitator – he/she is regarded as a policeman. It is not the individual civil servant's fault, but rather the system he/she is forced to go through. It is hard to see how to recover from this position, which is undermining delivery of government targets and damaging the forestry sector both mentally and financially through hugely increased costs for government and customer alike.

The few proposed simplifications in the forestry support measures are of course welcome, as is the Applicant’s Charter, though this needs to be extended to cover all forestry applications / permissions / felling licences, etc and critically the claims process. But these may not go far enough without a step change in culture and attitude from the top of Scottish Government and the several Directorates and Agencies involved with SRDP and forestry in particular.
Although new language is used, the proposal is to continue the process of continuous delegated authority to FCS for approving schemes up to £750,000. This is welcomed and we agree with this higher threshold for forestry. Confor has had several discussions with ministers and FCS about increasing this threshold even further as it has captured many medium sized and every large NWC scheme – this is counter intuitive as the larger schemes represent the best value for money for the public purse.

While there is definitely a place for smaller/farm woodlands, achievement of the aspiration of the Scottish Forestry Strategy requires forestry in larger more commercial areas measured in hundreds of hectares not 5s and 10s. Whatever their size, forestry schemes undergo intensive professional scoping and public consultation processes, including where appropriate Environmental Impact Assessment, but what will really deliver the greatest benefits for the public and the farmer or landowner alike are these larger schemes. The prospect of a further delay in a separate approval required from the Minister will only distract an investor from starting the long and costly application process in the first place.

And the paper does not make it clear whether these larger schemes >£750k will have to undergo the Level 2 'expert panel' and ministerial approval – paras 109 & 110. This needs clarification.

Section 6: Future Support for Less Favoured Areas

Q3. Should support for farmers operating in constrained areas be continued through the SRDP?

No

Farming support should be delivered through Pillar 1. But if additional ANC support has to continue in Pillar 2 it should be on a radically reduced scale, and on quite different criteria than the present LFASS. As stated in answer to the budget question, [LFASS] does not deliver rural development, but for most recipients merely supports the status quo; change in direct support for farming is inevitable and will reduce over time. Refusing to start the process, however uncomfortable for some, is not logical. We suggest cutting the LFASS budget by 10% now, and/or at the very least curtailing the budget for support for ANCs in 2017 or whenever the change is introduced.

Section 7: New Entrants Scheme

Q4. How would you rate your satisfaction with the proposals for the New Entrants Scheme?

Quite dissatisfied

A budget of £20m from constrained SRDP funds is an unnecessarily large amount for a new style of support. Suggest £10m should be more than adequate.

Section 8: Crofting and Small Farm Support Scheme

Q5. Should the scheme be expanded to provide capital support to small farms?

No
Q7. Do you agree with the proposal for grants of £500 to be available to assist the establishment of Grazings Committees?

No

Yet another drain on constrained SRDP funds. Crofters are perfectly capable of organising themselves without such assistance.

Q8. How would you rate your broad satisfaction with the proposals for the Crofters and Smallholders Scheme?

Quite dissatisfied

See above

Section 9: Agri-Environment-Climate Scheme

Q9. How would you rate your broad satisfaction with the proposal for the Agri-Environment-Climate Scheme?

Quite dissatisfied

The inclusion of hedge creation and maintenance must be maintained throughout the programme. As an LMO in 2007-13 it was dropped with significant losses incurred by forest nurseries.

Grey squirrel control, both for protection of productive hardwoods and to benefit red squirrels, is missing from the list and should be included.

Annex B does not state that Article 29 will be used for the Forestry Grant Scheme (FGS) - it should do so.

It is unclear whether a forester claiming support for something under Article 18 (investments in physical assets) or under Article 29 - the list in Annex C - is going to be subject to the Stage 1 approval process in paras 102 - 116, or the Application limit in para 117. This must be avoided. Yes, the para 117 states there will be exceptions for the FGS, but that presupposes that FGS schemes are supported under both Articles 18 & 29.

Section 10: Forestry Grant Scheme  We welcome the straight talk here - Forestry Grant Scheme - albeit that Confor has repeatedly argued that forestry support should lay outwith mainstream SRDP. Scottish Government's pre-occupation with a joined-up land use policy is once again in danger of being stymied by insisting that a "joined up" approach is carried through to the delivery mechanism. It is that which has been responsible for so many difficulties encountered by all applicants and administrators in the early days of SRDP, and lessons should have been learnt not to repeat that mistake.

Q10. It is proposed to support forestry under six main areas as outlined below. Please identify whether you agree with these broad areas.
Woodland Creation:
Yes, should be included

Agroforestry:
No, should NOT be included. Spanish goats and olive groves maybe, but blackies and Scots pine - no. Although it is unlikely that there would be a high take-up of agroforestry, it is a politically correct option in this era of integrated land use. However Confor believes that if it is to be funded through SRDP than it should come under the Agri-Environment-Climate Scheme, and not be at the expense of limited forestry funds.

Tree Health:
Yes, should be included. This is a welcome additional support mechanism, particularly for those who have been struck by P. ramorum. Most of the operations in para 233 have hitherto been supported via State Aids (100% Scottish Government funding), whilst the replacement planting will be new support. However this will place an additional burden on limited forestry funds, and Confor believes it deserves higher priority spending by government by some other means. Plant health is supposed to have the same priority as animal health nowadays, but we are yet to see the commensurate commitment to funds. Amelioration of Foot & Mouth Disease was funded from central government, and we believe there is a special case for similar support for P. ramorum.

Woodland Improvement Grant:
Yes, should be included

Process and marketing:
Yes, should be included

Sustainable Management of Forests:
Yes, should be included

Q11. We propose nine woodland creation options with support through standard costs. Please identify whether you think these options should be included (Yes) or excluded (No)

Conifer:
Yes, should be included

Diverse Conifer:
Yes, should be included

Broadleaves:
Yes, should be included  Productive species, and with an eye to likely climate change opportunities - i.e. no artificial restrictions just because it is not 'Scottish', e.g. sycamore

Native Scots Pine:
Yes, should be included
Native Broadleaved W4:
Yes, should be included

Native Broadleaved Other:
Yes, should be included

Native low density:
Yes, should be included. Though support for “transition woodlands” in conjunction with peatland restoration should be funded through Agri-Environment-Climate, and not by the forestry ‘pot’.

Small or Farm Wood:
Yes, should be included.

Northern and Western Isles:
Yes, should be included

Q12. Are there any other woodland types that should be supported? If Yes, please specify

No

But forestry money should not be used for "transition woodland" in conjunction with peatland restoration.

Agro-forestry, if it is to be supported, should be funded under agri-environment-climate, and not from the forestry ‘pot’.

Grant intervention rates are likely to be highly influential on landowner’s choice of type of woodland, especially whether there will be different interventions for different types of woodland. Confor contends that intervention rates should not favour one form of woodland over another, though flexibility should be maintained to alter these rates (without recourse to bureaucratic whole plan modification requiring EU consent). The current SRDP structure of rates has seen the high amount of grant available for native woodland in comparison to productive conifer be highly influential in some circumstances where the ground itself could support either type of woodland – and this has been detrimental to the target of 60% of NWC being productive conifer.

Q13. Should the Central Scotland Green Network be allowed an ‘Additional Cost Contribution’? If No, please briefly explain your reasons

No

WIAT – Woods In and Around Towns are very desirable assets for the nation, but are very expensive to establish and to maintain. The work of the Central Scotland Forest Trust, and the Central Scotland Green Network has been very successful, and woodland cover in central Scotland is now at or above the national average. Whilst Confor supports this work in principle, its benefits are primarily outside of the forestry sector. Therefore until the constraints on the forestry budget are removed, no use should be made of an additional cost contribution.
Q14. What is your preferred option for Income Foregone (IF) in SRDP 2014 - 2020?

Option 2  **As an interim response**

Unfortunately it is almost impossible to answer this at this time, since the rules around eligibility for farmers to receive Direct Payments under Pillar 1 have not been decided ("active" farmer / slipper farmer, etc), nor how future LFASS will be structured. This means it is difficult to determine if there is actually any income foregone, assuming such could be proved in the first place.

Confor therefore recommends that no definitive decision is taken until there is clarity about Pillar 1 and future LFASS.

We note that future income foregone payments will be limited to 12 years. If they are to continue then payment rates should be the same whether a productive conifer woodland is planted, or a native woodland.

And we note that income foregone payments will usually be taxable, whereas the capital grant proposed in the 2nd option would probably not be taxed in normal situations. The 2nd option should probably be simpler to administer and claim on, avoiding annual SAF completion and giving more upfront money hence the reason for our interim answer.

Q15. It is proposed to support woodland creation through other means. Do you agree with the range of ‘other support’ for woodland creation?

Tree shelters and fencing:
Yes, include. This is a constructive move to separate support for shelters from the woodland models. Confor supports SAC’s opinion that there should be clear guidance and a presumption in favour of the cheaper option of deer fencing for schemes of more than say 5ha or where the deer fencing is clearer the cheaper option. Perhaps applicants should be required to make a clear (financial) case for the use of tubes on larger sites.

Also the use of ‘easywraps’ inside a deer fence, especially on fertile lowland sites should not be discouraged un-necessarily. These provide a very significant protection against voles, herbicide and general ‘loss of control’.

Improved stock for Sitka Spruce:
Yes, include

Bracken contribution:
Yes, include

Community woodland:
No, should NOT be included  See answer to Q13

Q16. Should agroforestry be funded through the SRDP 2014-2020?

No  See answer to Q10

Q17. Should tree health be funded through SRDP 2014-2020?

Yes  But see answer to Q10
Q18. Do you agree with the range of Woodland Improvement Grants?

Under SRDP 2007-13, support was available under Axis 1 for certain thinning grants and control of grey squirrels, amongst others. These do not appear to be continued in 2014-20, which is a mistake. Confor suggests that support for these operations is justifiable under the new rural development regulations, and should be reinstated. In particular, thinning of conifer woodlands should be encouraged to optimize timber production, and this will not only help smooth out future yields from our forests, assisting investment decisions for sawmillers and processors, but will also help our blossoming woodfuel industry.

We suggest there should be options for support for thinning for optimising future timber production, and for thinning for woodfuel production. These two desirable outcomes could potentially be achieved from one additional option.

Long term forest planning - new:
Yes

Long term forest planning - renewal:
Yes  This new support is welcomed

Reducing Deer Impact:
Yes

Woodland Habitats and Species:
Yes

Restructuring Regeneration:
Yes

This simplification of claiming restock support is particularly welcomed. Many Confor members have made the point that insufficient support has hitherto been given to our existing woodland resource, restructuring costs being the greatest disincentive to a sustainable restock regime. It is therefore essential that this ingredient of support is substantially increased compared to present SRDP.

So it is imperative to increase the level of support within the Standard Cost model for adequate site prep works - drainage, etc and that in appropriate cases, that re-fencing restock sites can be supported. Ideally these crucial elements would be supported individually, but Confor accepts that would be increased administration and audit requirements for supporting every individual operation. Accordingly we suggest that there is an increased level of cost built into the Standard Cost for site prep, and that consideration be given to supporting any restock fencing separately.

As with NWC, it is important that the rates of this support do not influence planting of native woodland in favour of productive conifer where site conditions are suitable.

Non- Woodland Habitats and Species:
Yes

Natural regeneration:
Yes

Woodlands In and Around Towns:
No  Our comments in answer to Q13 refer
Q19. We propose to offer support to forest owners, micro-enterprises and SMEs for investments which enhance forestry potential or relate to processing and marketing, or adding value to forest products. Should these areas be supported through the SRDP?

The wider scope for support in SRDP 2014-20 for a wider range of stakeholders with an emphasis on SMEs, is welcomed, since the forestry supply chain depends on so many "small" enterprising businesses. But we query whether this welcome support could not be delivered by other (structural) funds. If this is not possible, then we respond:

Small scale premium processing sector:
Yes, should be included

Equipment to increase harvesting in under-managed woods:
Yes, should be included

Equipment to increase capacity for steep ground harvesting:
Yes, should be included

The paper states at para 239 that the purchase of equipment for woodfuel processing will not be supported due to alternative support to the sector from the Renewable Heat Incentive. Confor disagrees with this prejudice against the rising importance of the woodfuel market – the RHI supports the end use, not the fuel producer. We accept that previous grants in this direction resulted in the subsidized purchase of what have proved to be under-utilised chippers. But we can learn from history, and Confor's Woodfuel Group is willing to work with Scottish Government to frame suitable conditions of a new support structure for woodfuel businesses in Scotland.

Q20. We propose six Sustainable Management of Forest Options. Do you agree with the range of Sustainable Management of Forest grants?

Native Woodlands:
Yes, should be included

Low Impact Silvicultural Systems (LISS):
Yes, should be included

Public Access:
No, should NOT be included. However desirable, access is not a core forestry priority, and as such should not be supported at a time of constrained budgets, especially not the forestry one. Indeed as general public access to the countryside is an outcome of a quite separate agenda of land reform, Scottish Government should provide funding for its aspirations from its social budget, not the land based SRDP.

Public Access WIAT (woods within 1 km of settlements with a population of over 2000 people):
No, should NOT be included. Confor's comments to Q13 refer, as do our answer to the above question on public access. It may be desirable but it cannot be a priority for funding.

Livestock Removal:
No, should NOT be included. A little used option under previous SRDP, and this cannot be seen as a priority in a constrained forestry budget. If the option must be maintained, then fund it under Agri-Environment-Climate, not from the forestry 'pot'.

Woodland Grazing:
No, should NOT be included. Similar to livestock removal, this was a little used option under previous SRDP, and this cannot be seen as a priority in a constrained forestry budget. If the option must be maintained, then fund it under Agri-Environment-Climate, not from the forestry pot.

Q21. How would you rate your broad satisfaction with the proposals for the Forestry Scheme
Quite satisfied

Please refer to ancillary response letter

Confor has repeatedly argued that forestry support should lay outwith mainstream SRDP. Scottish Government’s pre-occupation with a joined-up land use policy is once again in danger of being stymied by insisting that a “joined up” approach is carried through to the delivery mechanism. It is that which was responsible for so many difficulties encountered by all applicants and administrators in the early days of SRDP, and lessons should have been learnt not to repeat that mistake.

Section 11: Support for Co-operative Action

Q22. How would you rate your broad satisfaction with the proposals for co-operation?
Quite satisfied

Quite satisfied on the understanding that grey squirrel control is brought back into scope of support. This is a perfect example where co-operative action between landowners is not just more effective, it is vital for satisfactory GS control.

Section 12: Non-Agricultural Business Support: Small Rural Business Support

Q23. How would you rate your broad satisfaction with the proposals for Small Rural Business Support?
Quite dissatisfied

This scheme should be a candidate for funding from outwith SRDP, using other Structural Funds.

Section 13: Non-Agricultural Business Support: Food and Drink

Q24. Should the Scottish Government continue to give significant support to the food and drink sector?
No
Q27. How would you rate your broad satisfaction with the proposals for Food and Drink support?

Very dissatisfied

This is a very significant amount of money targeted at just one sector. Confor has no issue with Scottish Government supporting worthwhile enterprising schemes under this sort of heading, especially those contributing to the Scottish Government’s overall strategies for economic development and the rural economy. But we firmly believe that funding must be found from outwith SRDP, using other Structural Funds. The arguments in para 273 for retention in SRDP are very weak.

Section 15: Knowledge Transfer and Innovation Fund (KTIF)

Q29. Do you agree with the range of options listed below which are being included within the KTIF scheme?

Skills development:
Yes

Vocational training:
Yes

Monitor farms:
No

Setting up an EIP network:
No opinion

Q30. How would you rate your broad satisfaction with the proposals for KTIF?

Very dissatisfied

Confor supports the proposals for this fund for skills development and vocational training, but firmly disagrees that funding for it should come from SRDP. The paper paras 304 onwards contain the basis of many arguments to provide the support proposed from existing organisations, and thus why duplicate what they are doing under the SRDP umbrella?

Section 16: Advisory Service

Q31. How would you rate your broad satisfaction with the proposals for the Advisory Service?

Quite dissatisfied

Confor is concerned about the many open questions on how this proposed service will work, and the large sum of money (£20m) allocated to it. We do not accept that the case for generic public sector intervention in the market place has been proven. This is particularly relevant to the forestry sector, where the vast majority of work is undertaken via professional agents and management companies.

Naturally woodland owners will welcome any public financial assistance for advice, and an example of this has been the recent (UK wide) support through State Aid towards the
professional advice required following outbreaks of P ramorum. But this has been just that – a grant towards the cost of employing an existing commercial business. If the proposed SRDP advisory service is to be a straightforward extension of such support, we welcome it. But it looks as though what is proposed is far more than that, and is likely to grow arms & legs and compete in the open market of advice services.

Nearly all forestry work is undertaken on behalf of the woodland owner by a professional agent. Confor appreciates that the opposite is true for most farmers – the type of project they are most likely to embark upon is something additional to their foremost activity of farming itself. But they are already well and freely served by established advisory services like SAC (now SRUC), which in turn are mostly publicly funded. So why create another publicly funded competitor?

Conversely, were this new service to provide additional funding for FCS, who could then employ more woodland officers, who could then escape from their computers handling the endless SRDP admin process, and who could then have more time to facilitate approval of forestry projects – then that would be welcome! Nirvana?

Section 17: Scottish Rural Network

Q32. Do you think the tasks set out below are the most appropriate ways for the SRN to add value to the implementation of the SRDP?

SRN website:
Yes, should be included

Gathering of good programme examples:
No, should NOT be included

Disseminating information to the public:
Yes, should be included

Organisation of events:
Yes, should be included

Q33. Do you agree with the proposal to establish thematic working groups as an approach to supporting the Rural Development Programme priorities?

Yes

Q34. How would you rate your broad satisfaction with the proposals for the Scottish Rural Network?

Quite dissatisfied

Confor believes £15m of SRDP money is too much to allocate to the SRN at a time of budgetary constraint.
Section 18: Communications

Q35. How would you rate your broad satisfaction with the proposals for communicating the new Scotland Rural Development Programme?

Quite dissatisfied

It is a tragic indictment of the SRDP that we apparently need a £20m Advisory Service to explain to land managers how to manage their land (which they probably know about already) and a £15m network and a £10m Knowledge Transfer & Innovation Fund, plus who knows what extra costs in hidden Scottish Government staff time, all to supposedly make the SRDP work. £50m per annum - no wonder we need a Comms plan as well.

Section 19: Monitoring and Evaluation

Q39. Are there any other gaps that you wish to make us aware of?

Yes

Data on woodland restocking - it has been impossible through SRDP 2007-13 to collect any meaningful data on how many hectares of woodland have been restocked in any particular year, and crucially of what type of woodland.

Data on forestry employment - direct and downstream

Section 21: Other Comments

Confor understands why Scottish Government chooses a simple questionnaire approach to this consultation, but it quite fails to give opportunities to fully comment on proposals, and hence we have submitted an ancillary letter response covering the other issues we wish considered.

Summary

Having the right SRDP support measures in place for forestry, with up to date Standard Costs, and the appropriate grant intervention rates to determine the actual level of support, is obviously important. Equally important is having a workable delivery system with straightforward cost effective 'simple' administration – for applicant and administrator alike. But without a sufficient budget to allow the private sector to deliver, these are all meaningless.

Confor appreciates the complexity of a long drawn out process such as this, and must therefore simply trust that Scottish Government will listen to the arguments advanced by Confor and others in the forestry sector that the private sector can only deliver if it is adequately resourced.

Sometimes forgotten is the fact that CAP Pillar 2 (SRDP) funding is the only financial support that private sector forestry receives in a landscape of subsidy for agriculture – with the exception of occasional limited State Aid for short-term specific issues. With just a fraction
of financial aid from the public purse compared to farming, and all that targeted at compensating for lost income for providing public benefits delivered by forestry, our sector contributes significantly more to the rural economy in terms of economic output and employment than upland stock rearing ever can. An important piece of research demonstrating this will shortly be published by Confor.

Sensationalist suggestions from the farming world that forestry causes rural depopulation are simply not true – very few whole farms are planted and those that are have been offered for sale because they are uneconomic and too far away from the local supermarket for today’s convenience world. Most ex farm dwellings are re-occupied by others working in the local area, frequently with more in their back pockets to spend in the economy, and many of an age more likely to have children of school age. The average wage of the person gaining a job in forestry is higher than that paid to the person working in agriculture.

Confor has met with farming unions to discuss how planting targets can sit aside agriculture, and it is clear that such planting provides positive opportunities for farmers. Taking up under-utilised out-bye farmland presents a real opportunity for farmers to take advantage of a long-term economically attractive alternative land use for some of their holdings. Confor hopes that faced with a diminishing agricultural support system, they will realise this and embrace the opportunities provided by a financially sustainable land use.

Equally we hope that Scottish Government will give forestry the increased budget that it deserves and needs, and with which it can then deliver so much to the advantage of Scotland.

___________________________

Confor

February 2014