



## Crofting and whole farm plans: Risks and opportunities

- Crofters and small producers are disproportionately affected by the cost and/or labour implications of the whole farm plan
- Meanwhile, there is no evidence as how the whole farm plan, in itself, will contribute to more financial and/or environmental sustainability in the crofting context
- Crofters are keen to be part of the sustainability transition – but measures must be proportionate and accessible
- PSF grants are a valuable tool but in themselves not sufficient to achieve the desired transition

SCF welcomes the recent announcement of prepare for sustainable farming grants (PSF) grants being continued. However, concerns remain about the long-term implications of the whole farm plan. Money is but only one factor – time and labour are equally important, and significant uptake barriers will persist due to the age structure for farming in general, and crofting in particular. Our concerns are supported by extensive research undertaken by the SRUC with support of the Scottish government itself.<sup>1</sup>

### Financial impact

**The amount of support payments most crofters receive is small. In the Western Isles alone, half of all of crofters receive less than £1350 in basic payments annually, or less than £2700 if less favoured area support (LFASS) and greening are included. For 25%, basic payments are at £730 or below, or less than £1460 including greening and LFASS. The small overall amount of support many crofters receive makes clear that a few hundred pounds can make or break the deal for crofters to keep going.**

The following is a real example of an average crofter based on one of the Inner Hebrides: The croft extends to 29 ha and is predominantly used to produce hogget/mutton for meat boxes/farm-gate sales. The land comprises of less than 7 ha inbye region 1 land and of approx. 22 ha of apportioned region 3 rough hill grazing, with some exclusions managed for small croft woodland creation and biodiversity/peatland restoration. The annual direct support the crofter gets (BPS, greening and LFASS) amounts to £2000.

A carbon audit conducted by specialist advisors is likely to be available from no less than £500 plus VAT.<sup>2</sup> Soil sampling through professional advisors also starts around £500 plus VAT minimum. The minimal subscription for the farm advisory service (FAS) for crofters has

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<sup>1</sup> Thomson, Steven; Moxey, Andrew; Atterton, Jane; Naab, Francis; McCracken, D (2024). Rural & Agricultural Development: Maximising the potential in the islands of Orkney, Shetland and Outer Hebrides. Scotland's Rural College (SRUC). Report. <https://doi.org/10.58073/SRUC.26125552.v1>

<sup>2</sup> These estimates are based on the PSF grants available in 2024 though the actual figure are likely to be higher.



recently risen to £159 pa plus VAT. For the completion of the single application form (SAF) through the farm advisory service, the crofter pays £244 plus VAT. So, for two elements of the whole farm plan, plus the other advice required to fill out the SAF including access to FAS, the crofter is ought to spend £1400 ex VAT (of the £2000 direct support she receives) for advisory costs.

As of now, there is PSF funding available which covers for the largest share of the costliest elements of the whole farm plan (soil analysis/carbon audit). What, however, if PSF support is not available any longer? – Even if carbon/soil assessments will last for 5 years (i.e. come at £100 pa each) the total annual advisory costs will still add up to £500 pa – or one quarter of the entire direct support received by the crofter. In total, the combined increase in costs for FAS and the new whole farm plan requirement will incur £200 more costs annually for a young crofter compared to previous years, and £150 more for a regular crofter.<sup>3</sup> While this amount may appear negligible in a conventional farming context, for crofters, who are operating on tight margins already, this can be the final straw, in particular if combined with other measures such as the calving interval conditionality, at times where cost of living continues to rise.

Some of the audits, it has been suggested by the government, can be done by crofters themselves. The crofter in the example is relatively young, has two Master's degrees and is keen to acquire all the skills and knowledge needed to do this. However, the time she'll need to find between the daily croft chores, family, and the two jobs that sustain her living – crofting is more than a hobby, yet crofters mostly need to work full time in other jobs to make a living. Even for the younger and more tech-savvy among crofters, assessments will be time-consuming and not necessarily straightforward. For the generation that has not grown up with computers and smartphones, it may pose an insurmountable hurdle. This leads to the next point.

## Intergenerational equity

**From the above it becomes clear that, unlike larger agricultural businesses, who can afford paying for advisors doing the required assessments for them, crofters will have to do these themselves. Yet, there are significant barriers, in particular for the older generation.**

The average age of today's crofters is about sixty. While many of them are keen and knowledgeable users of new technologies, others are not, and the older they are, the more likely it is that this will not change. This does, however, not mean that they are no longer fit for the agricultural work they are doing – many do work their croft well up into their

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<sup>3</sup> Previously, a FAS crofter subscription was available for £46 pa plus VAT and a regular crofter subscription at £81 plus VAT.



eighties. The following quote which appears in the most recent series of BBC's popular TV show "This Farming Life" illustrates very well what is at stake:

"You can retire, you can spend all your life going to the pub at lunchtime, going to the pub at night, drink yourself to death. Or you can do something useful, which I like to think I do." (Iain, Caithness crofter, aged 79)

This crofter – as many others in his age – not only produces food. Crofting also keeps him active, providing for physical fitness and mental wellbeing. Do we really want to stop people like him doing what is useful?

Ideally, older crofters could pass on their croft to the younger generation. The reasons why this does not happen timelier or often are complex, multifaceted and exceed the scope of this paper. Yet, without mitigating measures in place, the chances are high that crofters will just sell up and that their crofts get amalgamated into larger farm holdings – or worse: are taken out of production entirely to become a holiday home site. Without safeguards in place, not only older crofters are forced out of crofting – in all likelihood, but their crofts will also no longer be available for younger family members to settle and work the land.

One issue that discourages crofters from doing assessments themselves is the fear of doing something wrong – with reduction penalties being imposed on the small amounts of support they are receiving anyways. Advisory firms do not always have an interest in empowering people to do things themselves, since this is what earns them their money. And while there is no penalty for non-compliance with the requirements just now, this is likely to change in the future if the instrument is ought to be of any use at all.

One response we hear often is: "Crofters who are unable to do the assessments themselves can ask a neighbour or family member". Yet, while crofting traditionally builds on collaboration and cooperation, it is unreasonable to expect from fellow crofters to invest considerable amounts of time to do for free what advisory firms earn good money for. Fulfilling all whole farm plan requirements in a meaningful way will take up hours, if not days of work – time, people would rather spend working on their own croft or with their families. Since many crofters in working age do work full time, the whole farm plan for themselves and others will have to be done in their free time, which is scarce anyway. Additionally, whole farm plan assessments that require digital technology are further complicated in locations with frequent power cuts and poor internet connectivity.

If crofters are expected to assist their family or fellow community members with the whole farm plan, they should be rewarded for doing so. Such an approach could also incentivise conversations between generations or provide an opportunity for talking about succession planning.

Environmental and financial sustainability



**The government is of the opinion that whole farm plans will lead to environmental and financial sustainability, enabling greater productivity and/or profitability. However, particularly in the crofting context, there is no evidence to support this claim. The low-intensity, high nature value agricultural practices of crofting cannot be improved through the whole farm plan in and of itself.**

This is not to say that crofters have no place in the sustainability transformation. It is to say that the metrics that the whole farm plan aims at are not suitable for the crofting context. The reason for this relates to the nature and structure of crofting: Firstly, crofting operates as a low-intensity, low-input, high nature value form of agriculture. It involves low levels of concentrated feed, fertilisers or pesticides (if any at all). It involves limited heavy or carbon-intensive machinery, in particular as far as the smallest crofters are concerned, who, very often, rely on manual labour instead. It mostly relies on extensive, low-density grazing which is beneficial to habitat restoration and maintenance if done rightly.

The policy intent of the whole farm plan is mostly geared towards making more intensive forms of agricultural production a little bit more sustainable. Yet it is difficult to see how the whole farm plan could evidence more sustainable practices for crofters that would increase their productivity and/or profitability. If, for example, the individual crofter's carbon output is low already (due to the reasons listed above) the only way to lower this figure further would be to stop having livestock in the first place.

Many crofters are concerned that future funding opportunities will disregard existing good practice and will solely reward perceived "improvements" according to the metrics captured in the whole farm plan. This in turn, will likely discourage people who are operating on a high level of overall sustainability.

Further, the structure of crofting – crofts as small individual units with a large, shared common grazing – poses unique challenges subject-areas where the sustainability transformation is required: scale and collective decision-making. As small units, crofts are vulnerable to the effects of economies of scale. Meanwhile, common grazings are large but require coordinated decision-making and management. An example can be provided in relation to the effectiveness of the PSF initiative on animal health and welfare interventions.

For keen individual crofters, the PSF grant for fluke and worm testing is a brilliant instrument. It supports them in decision-making on the targeted use of wormers and flukicides. Yet without the right guidance and training, there is a high risk that less ambitious crofters will cease testing if funding ceases: If testing costs for individual crofters (£45 for fluke and worm plus posting for one pooled sample of 10, to be done at least twice a year, but ideally more often to deliver useful results) exceeds the price of a combined wormer/flukicide (e.g. Supaverm at £80 for one litre equalling doses for approx. 80 sheep), it is more economical for crofters to just dose their animals regardless, increasing the problem of anthelmintic resistance.



In the context of common grazings, in turn, collective testing, dosing and testing again upon administration (if required) is impractical, which means that all individual crofters using the common grazing are required to coordinate respective activities. Further, problems arise with limited capacity of laboratories and vets to process the requests for testing. The crofter in the example above tests regularly but has to wait up to two weeks until she gets any results back. Yet, she cannot afford to keep the animals inside for a prolonged time period.

These challenges are not insurmountable, they can and must be addressed by making testing affordable for crofters in the long-term, and by providing the right assistance for efforts to be coordinated. Yet it clearly demonstrates why the whole farm plan requirements, as well as the incentives to facilitate the transition, need to be complemented with targeted support that suits the crofting context.

## Summary

Crofters do not want to and should not be exempt from the sustainability transformation. But measures must have regard and be proportionate to the very specific context of crofting. With the right support in place, crofting can be a model for a more sustainable and resilient model of agricultural production. Without additional safeguards, however, the new agricultural support framework will lead to the disappearance of the unique system and practice of crofting.

While crofting may not be the most economically efficient model in terms of distributing current agricultural support payments, this is only because the current system does not reward the multiple benefits crofting delivers at once: Crofting contributes to peoples' livelihoods, to sustainable food production, to community spirit, to habitat restoration, and to individual wellbeing. It does so well beyond the official retirement age.

Therefore, we request a firm commitment of the Scottish government to the following:

1. In the short term: Frontloading of area-based payments to mitigate against the overhead compliance costs and the disadvantages resulting for crofters from economies of scale and increasing costs
2. 'Light touch' options of whole farm plan requirements for crofters and other small producers
3. Maintain targeted financial and non-financial support enabling individual crofters enable the sustainability transformation (such as PSF)
4. Deliver special financial and non-financial support for individual assistance, enabling crofters helping other crofters to conform with the new requirements
5. In the long term: Shift towards rewarding outcomes for existing (as well as new) high nature value production