

# Letter from Scotland



This weekend Scotland's farmers are putting on their 175<sup>th</sup> Royal Highland Show in the fields around Edinburgh Airport known as Ingliston. It's a reminder to us city folk that Scotland is still an agricultural country...our 30,000 farms, of one sort or another, cover 70 per cent of the land area. 65,000 people work directly in agriculture and they, in turn, support one in ten jobs in the entire economy.

So for three gloriously sunny days (I hope), 180,000 visitors at Ingliston will watch a thousand cattle, 1500 sheep, two thousand horses, countless chickens, goats, dogs and well-turned-out owners strut their stuff in the judging rings of Scotland's premier agricultural show. This very day my sister is taking her primary school class to Ingliston. I wonder what they will make of it all. Will they be more interested in the hamburger stalls, the craft shops, the outdoor clothing stands or the gleaming new combine harvesters and tractors.

(Incidentally, there were 39,762 tractors in Scotland last year... government statisticians counted them all.)

What may pass the children by is that Scottish farming is in serious trouble. Total farm income fell last year by 18 per cent, according to a Bank of Scotland Survey. More than half of all farmers say they made a loss in 2014. Hill farmers, dairy framers and organic farmers all suffered bad years. Cereal farmers faced low international prices.

Final figures are not in yet for 2014 but in 2013, which was considered a good year, average farm income was just £30,000, and that includes the average European Union subsidy of £38,000. Dairy farmers seem to have the worst deal of all, with the cost of production rising last year to more than what they were getting for their milk at the farm gate. This year

looks to be even worse, with farmers being paid 25 per cent less for their produce than last year as the supermarkets engage in a price war for market share.

Supermarkets are now selling two-litre cartons of milk at less than £1. This cannot be right, and it reflects the overall truth that we are not paying enough for our food. Although food prices have risen in the last few years, the average household spends around 17 per cent of its income on food and drink, compared with 33 per cent back in the 1950s. In this official "Year of Food and Drink" we should be giving our farmers a better deal. They work harder and take more risks than any city folk I know.

Another industry in trouble is the North Sea oil industry. Leaders gathered for their annual conference in Aberdeen this week to try to come to terms with the fall in the oil price from over \$100 a barrel this time last year to \$60 today. The conclusion seems to be that costs will have to be trimmed, workers laid off, and companies will have to share resources. In fact a new regulator has been appointed to ensure this happens. And the first minister Nicola Sturgeon used her conference speech to call on the UK government to give tax-breaks to companies exploring for new fields.

At question time at Holyrood on Thursday Ms Sturgeon also laid into the Westminster government over its surprise decision to cut subsidies to the on-shore wind industry from April 2016, a year earlier than expected. "It's wrong-headed, perverse and outrageous," she told MSPs. It will mean a loss to the renewables industry of £3bn, she said, and, in the end, will result in consumers paying between £2bn and £3bn more for their electricity.

The cut in windfarm subsidies will please one of Scotland's famous sons and owner of two of its major golf courses. Not since Don Quixote has anyone tilted at windmills quite so vigorously as Donald Trump. This week he announced that he's

campaigning to be the Republican candidate for the US Presidency. Though his mother was born on the Isle of Lewis, he's clearly not been affected by Hebridean modesty. " I will be the greatest jobs president God ever created," he told his supporters.

Perhaps he will be will able to bring jobs to his mother's homeland too. Our unemployment rate has risen again this month to 5.9 per cent or 163,000 (compared to a fall to 5.5 per cent for the UK as a whole). Youth unemployment in Scotland did fall slightly but it still stands at a scandalously high 14 per cent.

Another figure which has risen is the number of people being killed on our roads. Two hundred people died last year, 28 more than the year before and the highest figure for four years. It includes a sharp rise in the number of pedestrians and motorcyclists killed, but, happily, the number of cyclists being killed continues to fall. The transport minister Derek Mackay hopes this year's figures will be better because of the new lower alcohol limit in Scotland and the introduction of average speed cameras on some of our most dangerous roads.

Last weekend, I enjoyed a breezy walk along the cliffs at St Abb's Head, on the Berwickshire coast and, like others, I was astonished to hear that the local lifeboat station is to be closed down. It houses a small inflatable lifeboat which specialises in rescuing the many divers who flock to St Abb's for the clear water and dramatic rock formations below the surface. The RNLi says it's all part of a review of rescue services along the whole east coast and a new inshore lifeboat is to be added to the station at Eyemouth three miles south of St Abb's.

Let's hope the RNLi have got it right because the St Abb's lifeboat station has been in operation for over a hundred years and has saved the lives of 226 people.