

## Foreword by the Cabinet Secretary for Rural Affairs and the Islands

### Baselining

1 Should agricultural businesses receiving support be required to undertake a level of baseline data collection?

Yes

please explain your answer:

This approach is supported by the Farmer-led Groups on the basis that the starting position needs to be understood. And without baseline data it will not be possible to measure progress towards stated objectives. Baseline data collection will assist in identifying those areas of individual farms which have the potential for restoration or improvement. How baseline data is used will be critical. It will be important to avoid perverse outcomes, where for example businesses which have already embarked upon the journey to net zero are disadvantaged by a system which crudely rewards progress beyond their baseline only. Support payments should therefore be based on outputs actually delivered. This will also encourage positive action ahead of baseline setting whereas a mechanism which simply rewards progress beyond the datum position will actively discourage progress in the short term.

2 Should collected data be submitted for national collation?

Yes

Please explain your answer:

How otherwise will national performance be measured? Scotland's position is likely to be distinctive and possibly unique. It would be a mistake for the performance of the Scottish agricultural sector to be judged using inappropriate global methodologies. Also, by collating data nationally, it will contribute to a wider understanding of the performance of Scottish farmland at a regional and national level in respect of biodiversity and net zero. Data collected should be no more than essential empirical information required to accurately measure and fairly reflect business performance in relation to net carbon, biodiversity and other relevant objectives.

3 What are the next steps that can be taken to commit businesses to continuous improvement utilising the information presented by carbon, soil, biodiversity auditing?

Please explain your answer:

In the first instance, clear communication from government, industry bodies, the Farm Advisory Service and management consultants will be required to convince land-based businesses of the reasons for 'buying in' to the new objectives, primarily by linking environmental performance to farm profitability and overall productivity. The risks to business posed by non-adoption will also need to be set out clearly.

4 How can baselining activities be incorporated in to common business practices across all farm types?

Please explain your answer:

On the assumption that the question is asking how common (or current) business practices can be refined to meet the new environmental objectives more effectively, the answer is to explicitly link such improvements to the continuation of public support (financial subsidy).

### Capital funding

5 Should capital funding be limited to only providing support for capital items that have a clear link to reducing greenhouse gas emissions?

Yes

If not, why not?:

Only in very exceptional circumstances should capital funding not be directly linked in some way to emissions reductions (eg meat processing sector investments for key parts of the supply chain in remote rural locations – but even here emissions benefits should be demonstrable). Some useful pointers should have been learned from the Sustainable Agriculture Capital Grant Scheme (SACGS) pilot. Capital funding should also be available for biodiversity projects to deliver climate and biodiversity enhancement at scale.

6 What role should match funding have in any capital funding?

Please explain your answer:

Match funding (ie co-investment by applicants) should be a requirement, with a variable, needs-based intervention rate to ensure the public purse does not shoulder a disproportionate share of the investment burden at a time of fiscal restraint. Government loans should also be considered as a mechanism to make best use of (and recirculate) scarce public resources.

7 What capital funding should be provided to the sector to assist in transformational change, particularly given that in many instances the support called for was directly related productivity or efficiency, that should improve financial returns of the business concerned?

Please explain your answer:

The capital grant intervention rate awarded to individual businesses should be tailored to reflect the proportionate consequent benefit accruing respectively to the public and to the business. So an investment with a proportionately higher public benefit ratio should attract a higher intervention rate than one primarily benefitting business profitability.

In relation to outdoor access infrastructure, there is an opportunity to reduce emissions by facilitating non-motorised/active travel. Land managers should continue to be incentivised to provide outdoor access infrastructure with priority given to community links & active travel. A strong stance should be taken by Government/funding bodies where key links are currently missing and could be provided by a land holding with land managers directly encouraged and supported long term to provide key infrastructure.

The Land Reform (Scotland) Act 2003, Scottish Outdoor Access Code, Paths for All Partnership and other, subsequent, regional set-ups such as the Core Paths Networks were all introduced at the time with a clear expectation that the local authority in each region would be responsible for ensuring the upkeep and maintenance of key, local community path networks by contributing towards the cost of essential upkeep and maintenance on private land as well as public-owned paths. However, in the same way that legally recognised agreements covering core paths were never concluded in most parts of Scotland, neither was regular funding for the future secured. Safe and environmentally friendly Public Access has never been more important and recent, major increases in footfall have led to much more essential expenditure to keep paths safe for access takers. The assumption that all users will take "responsible" access actually places a responsibility at the same time on landowners to ensure that basic Health and Safety is in place, regarding the condition of paths and tree management. These requirements must be properly funded going forward and the new Land Use Partnerships should be required to oversee appropriate core path maintenance funding for the benefit of all.

Capital funding should also be made available to incentivise investment in innovative technology to deliver transformational change (ie "Machinery Eco-innovation"). Technology is close to producing some very interesting, low-carbon solutions for machinery used in agriculture, forestry, etc. as well as in the commercial vehicle sector. As an example, Hydrogen presents an obvious opportunity as an alternative transport fuel. In the same way, the conversion of existing farm equipment to attain a lower carbon footprint is an attractive and lower cost alternative to investing in expensive, newly manufactured equipment and could significantly improve the prospects of carbon emission reductions throughout the land-based sector. Here in the North East, we already have significant knowledge on the use of Hydrogen in transport – we should build on this knowledge as an important, environmentally- advantageous commercial opportunity.

## Biodiversity

8 Should all farm and crofting businesses be incentivised to undertake actions which enhance biodiversity?

Yes

9 What actions would be required by the farming and crofting sectors to deliver a significant increase in biodiversity and wider-environmental benefits to address the biodiversity crisis?

Please explain your answer:

(Q8) Every business should be encouraged to play its part. Biodiversity enhancement can be undertaken at any scale. There are likely to be opportunities to protect soil, water and biodiversity resources on all farms and it will be important to fund this work as it may not always generate income but does deliver wider benefits for society. A simple, easily accessible scheme for smallholders may be worth considering to reduce costs of administration of small-scale improvements.

Q9: Suggestions include:

- Secure, long-term funding to deliver long-lasting biodiversity benefits. The creation and maintenance of habitats takes time, and most habitats require active management in order to maximise and retain biodiversity benefit. Short term and/or rapidly changing funding priorities are not conducive to biodiversity.
- Restoration and good ongoing management of habitats will enhance biodiversity and also deliver wider environmental and societal benefits. There will be a need for farmers and land managers to be able to access specialist advice if funding is to be effective in delivering good outcomes.
- Focused funding and activity towards delivering agreed objectives within localities and regions would generally provide the greatest benefits for biodiversity. Even if habitats are not directly connected, the presence of habitat patches within a local area can function together ecologically and support larger and more diverse populations of species and allow movement of species within the countryside.
- The expansion of existing habitats and the creation of new areas of wetland, woodland and grassland where appropriate can provide stepping stones within the wider countryside.
- Tree planting and forestry was mentioned by several of the groups. Although these measures can and will be important for both carbon sequestration and biodiversity, it is important that the principle of 'the right tree in the right place' is observed and does not inadvertently add to the problem by ploughing and planting on carbon rich soils. Consideration should be given to natural regeneration of woodland if that is seen to offer the greatest benefit.
- The Hill Upland and Crofting Group stated that biodiversity should be recognised as an output alongside agricultural activity. One measure they highlighted was the importance of appropriate grazing management with future support being linked to delivering biodiversity developments. This is important as overgrazing can reduce diversity, but a lack of grazing can be equally damaging to some habitats and in particular species rich grasslands.
- There appears to be no mention of control of invasive non-native species (INNS) in any of the sector reports. These are a major threat to biodiversity and continue to spread while no action is taken to eradicate or contain them. To be effective, INNS controls need to be coordinated collectively within a catchment or wider landscape area supported by targeted funding for farmers and land managers.
- A sharper focus upon long term soil health is welcome – it is central to the protection and enhancement of biodiversity and soil resilience.

## Just transition

10 What do you see as the main opportunities for crofters, farmers and land managers in a Just Transition to a net zero economy?

Please explain your answer:

The main opportunities for land managers transitioning to net zero include long term benefits in productivity, profitability and resilience – and being supported by public funding as they do so. The industry's reputation will also be enhanced in the eyes of the public if it is seen to play an active part in meeting current climate challenges while improving its commercial performance – the two objectives are not mutually exclusive.

11 What do you see as the main barriers for farmers, crofters and land managers in a just transition to a net zero economy?

Please explain your answer:

Transition is certainly not a problem for all. Many NE farm businesses have adopted Farming for a Better Climate principles and are already well ahead of the curve. Indeed several have opened their doors to the public to show their net zero role model credentials and how they are leading by example. But more generally, cultural resistance to change is likely to be a factor. The sector's unfamiliarity with net zero terminology and associated metrics may be another barrier. A flexible array of climate friendly options will be required to enable Scotland's immensely diverse agricultural sector to grasp the opportunity to transition effectively. And clear communication will be required from government, industry bodies and advisory services. On the other hand, biodiversity-focused projects are relatively familiar (and attractive) to Scottish land managers and demand for agri-environment project support typically exceeds the available budget. At a strategic level, government must commit to consistent, stable policy to build trust and confidence. Backed up by appropriate economic and legal frameworks, there is an opportunity to re-energise farming and land management as highly valued (and profitable) components of Scotland's economy and social landscape and start to move away from its heavy historic dependence upon public subsidy. Such dependence is a strategic weakness, particularly during times of tight fiscal restraint, which seem likely to be with us for the foreseeable future.

## Sequestration

12 How best can land use change be encouraged on the scale required for Scottish Government to meet its climate change targets?

Please explain your answer:

The recalibration of LULUCF means bold land use change policy will be required. Fortunately, Scotland has a huge peatland resource which could provide a timely and significant boost to the country's climate change credentials with minimal adverse displacement. Early and effective intervention to restore and re-wet peatlands will provide a degree of headroom to allow other, longer-term measures to take effect (eg reduced livestock and crop emissions and better integrated land use including woodland expansion).

## Productivity

13 Would incentives for farm plans specifically targeting flock/herd health, soil health, & crop health (for example) demonstrate real improvements in productivity over time?

Please explain your answer:

Individualised farm plans should encourage farm enterprises to identify and select measures relevant to their own businesses to improve their performance and resilience. Incentives or subsidies should therefore be made available to maximise uptake of bespoke farm plans. Productivity gains will only be delivered if the recommendations within the plans are implemented by land managers. It may be possible to learn lessons for future implementation strategies from previous productivity initiatives which failed to secure universal uptake on a voluntary basis (eg the BVD eradication programme).

14 Should future support be dependent on demonstration of improvements in productivity levels on farm?

No

If so, how would this be measured? :

Enhancements to farm productivity (eg crop output) should be reflected in higher business returns from the market. Only performance improvements linked directly to climate mitigation (many of which are), biodiversity or other public benefits should attract support. Measurement should be output-based.

## Research & Development

15 In light of ongoing research activities supported by the Scottish Government and the 2022-2027 research strategy, are additional measures needed to ensure research is supporting the agriculture sector to meet its climate change targets?

Yes

If yes, please specify:

The 2022-2027 research strategy was consulted upon relatively recently, reflecting the openness of Scotland's publicly funded research programme (and the SEFARI network in general) to suggestions from industry and stakeholders. The livestock sector does however face particular carbon reduction challenges, so yes - further research should be conducted on the carbon cycle and net sequestration within extensive grazing systems, and also on the use of feed inputs and selective breeding to lower emissions.

## Knowledge & skills

16 What importance do you attach to knowledge exchange, skills development and innovation in business?

Please explain your answer:

Recent history (eg QMS policy) suggests knowledge transfer and uptake by industry poses one of the greatest challenges for Scottish agriculture. Many of the required business performance tools already exist. Valuable lessons will be available from how the Farm Advisory Service has performed to date. Post-CAP opportunities are likely to arise for new entrants to farming, and with it the prospect of fresh impetus for the sector to innovate, diversify and enhance performance. It will be vital to ensure sufficient resources are available, firstly to reach out to and inspire new entrants and then to train, mentor and educate them to a high standard.

17 What form should tailored, targeted action take to help businesses succeed?

Please explain your answer:

The answer to Q16 (above) also refers. Enhanced advisory resources to enable one-to-one or one-to-few engagement with businesses would be beneficial.

18 Should continuing professional development be mandatory for businesses receiving public support funding?

No

Please explain your answer:

Not necessarily. But it should be encouraged and incentivised.

## Supply Chains

19 How can the green credentials of Scottish produce be further developed and enhanced to provide reassurance to both businesses and consumers?

Please explain your answer:

Scottish produce has a good story to tell. But green credentials must be based on evidence. Once it can be established independently that sufficient volumes of Scottish produce seem likely to fulfil the evidential requirements, consideration could be given to adopting, re-aligning or updating existing quality standards (eg LEAF, QMS) - or creating a new quality mark such as Sustainably Scottish. Significant financial resources will be required to create a new brand, to police it and promote it. Is it a priority now?

20 Should farm assurance be linked to requirements for future support?

Yes

Please explain your answer:

Farm assurance is consistent with quality, productivity and the environment, so in principle there should be a link, but further information and consideration is required on how the various assurance schemes can be integrated into the support framework.

21 How can ongoing data capture and utilisation be enhanced on Scottish farms and crofts?

Please explain your answer:

Accelerated investment in performance sensors and rural digital connectivity should be prioritised (eg in the Internet of Things and Long Range Wide Area Networks - LoRaWAN). This will facilitate data capture - the essential first step to evidence-based decision making and productivity optimisation, which is required all along the supply chain (eg from store cattle production via finishers to abattoir data). This will enable performance weaknesses to be identified and remedied. Digital infrastructure will also serve the interests of environmental data gathering (eg water quality).

## About you

What is your name?

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:

NE Scotland Agriculture Advisory Group

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

I consent

## Evaluation

Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)

Matrix 1 - How satisfied were you with this consultation?:

Very satisfied

Please enter comments here.:

General comments

Agriculture is the dominant land use in NE Scotland and has a major impact upon habitats and associated biodiversity within our countryside. Natural or semi-natural habitats not only support a wide diversity of plants, fungi and animals but also provide ecosystem services such as crop pollination, carbon sequestration, soil health, shade, the provision of cleaner air and water and natural retention of the latter to mitigate high river flows. If integrated into farm management, ecosystem services provide business benefits as well as to the wider population.

Changes to agricultural funding provide a valuable opportunity to take steps to address climate and biodiversity crises by investing public funds in ecosystem services to help support the long-term economic viability of the agricultural and land-based sectors and to promote self-sufficiency. It will be important to ensure that public funding delivers the greatest possible public benefit, not just for biodiversity and climate change but also wider environmental and societal benefits, by for example focusing funding and action to ensure that measures undertaken by individual farmers contribute to larger scale, more strategic objectives. There is enormous variety in Scotland's topography, geology/soils and distance to market and consequently a huge range in the size and financial strength of the holdings in crofts, farms and estates across the country to absorb additional costs which may arise in meeting climate change and biodiversity goals - and the support available should reflect this.

Matrix 1 - How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?:

Very satisfied

Please enter comments here.: