

The ABC of Scottish agricultural policy : the **A**griculture **B**ill **C**onsultation

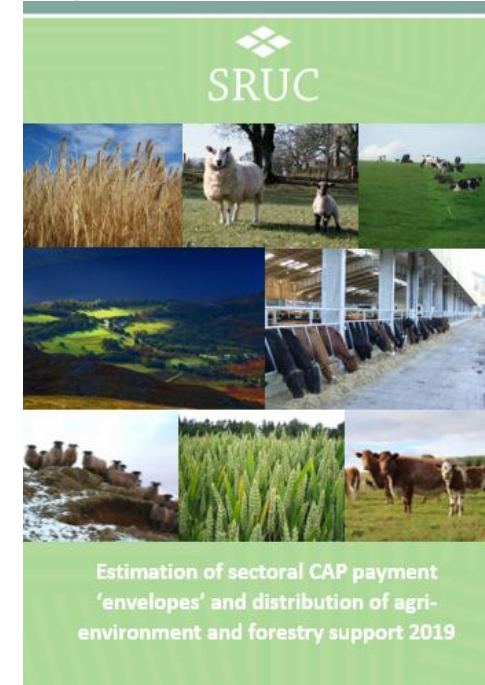
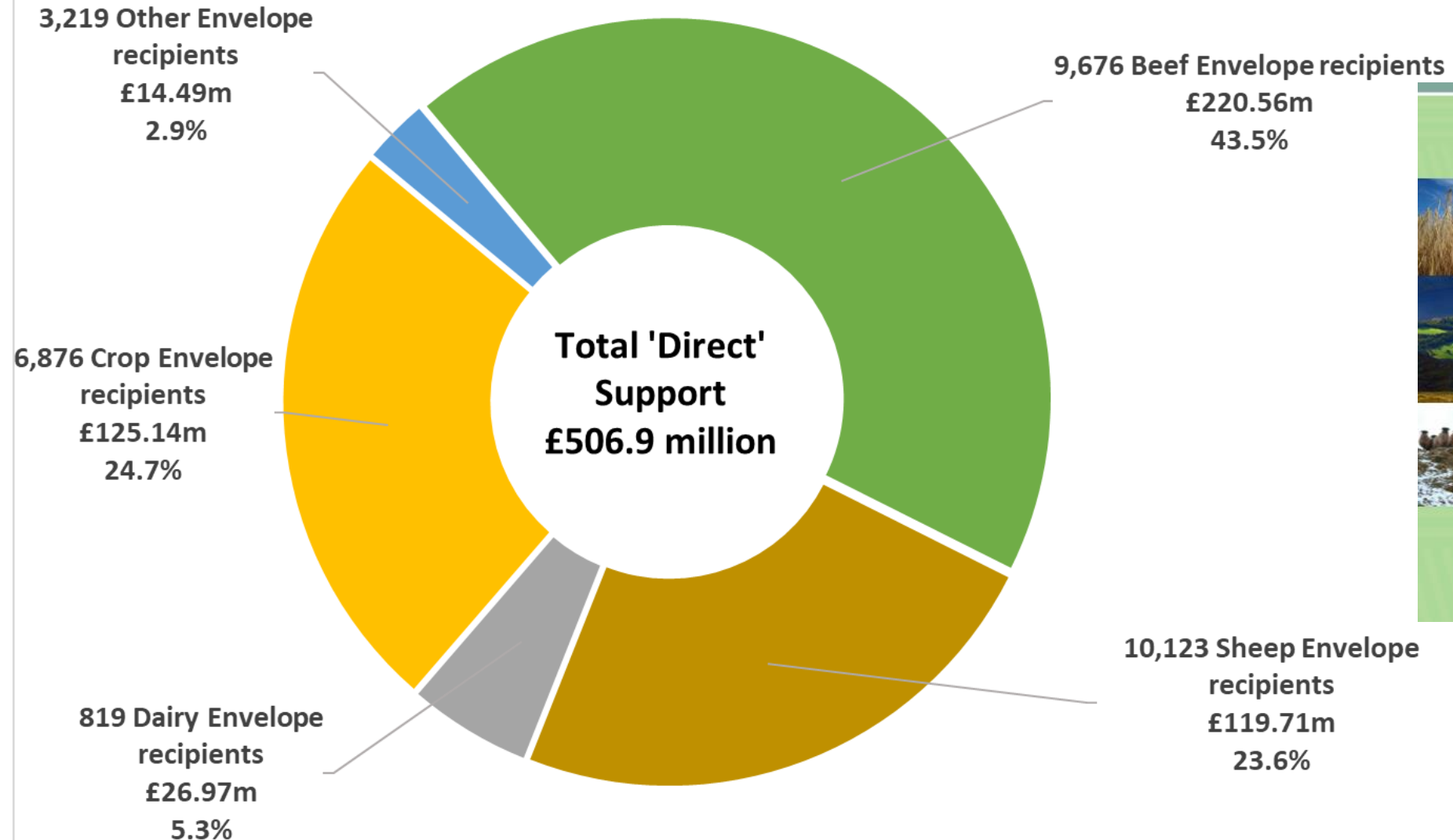
Steven Thomson

Reader in Agricultural
Economics and Policy & Sefari
Gateway Knowledge Broker

North East Scotland Agriculture
Advisory Group

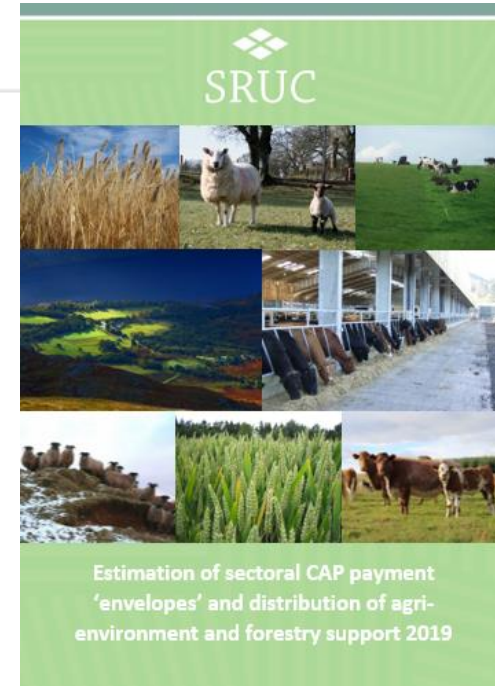
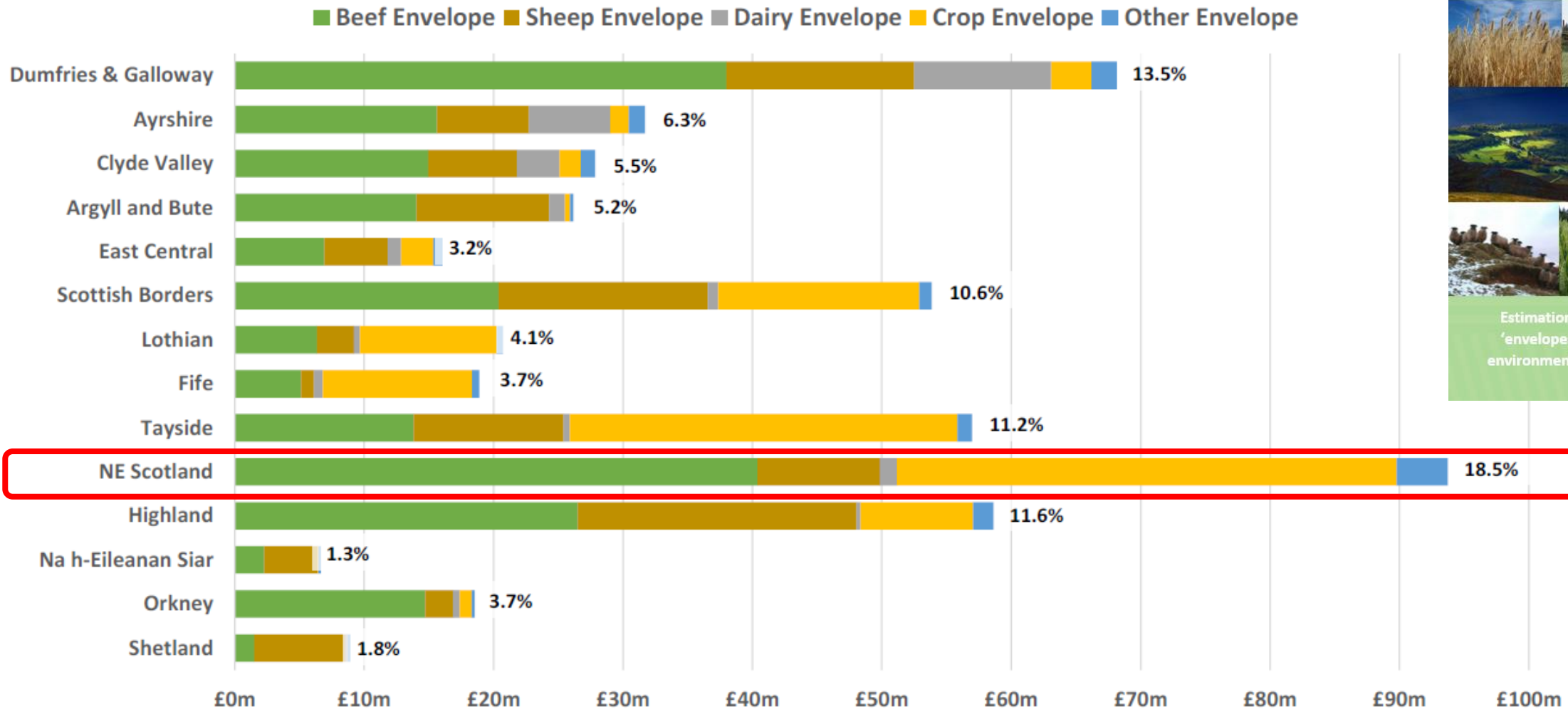
8th September 2022

Activity based support distribution?



2019 – Regional activity based distributions

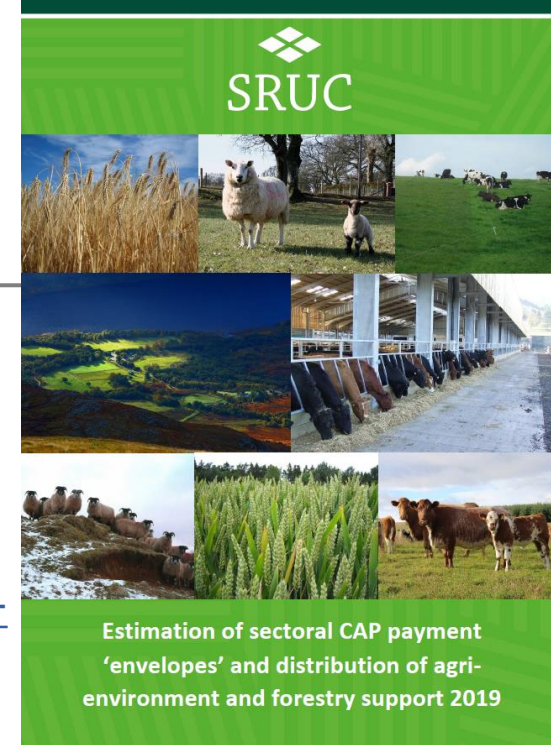
Figure 8 Distribution of the 2019 'direct' support payment envelopes by agricultural region



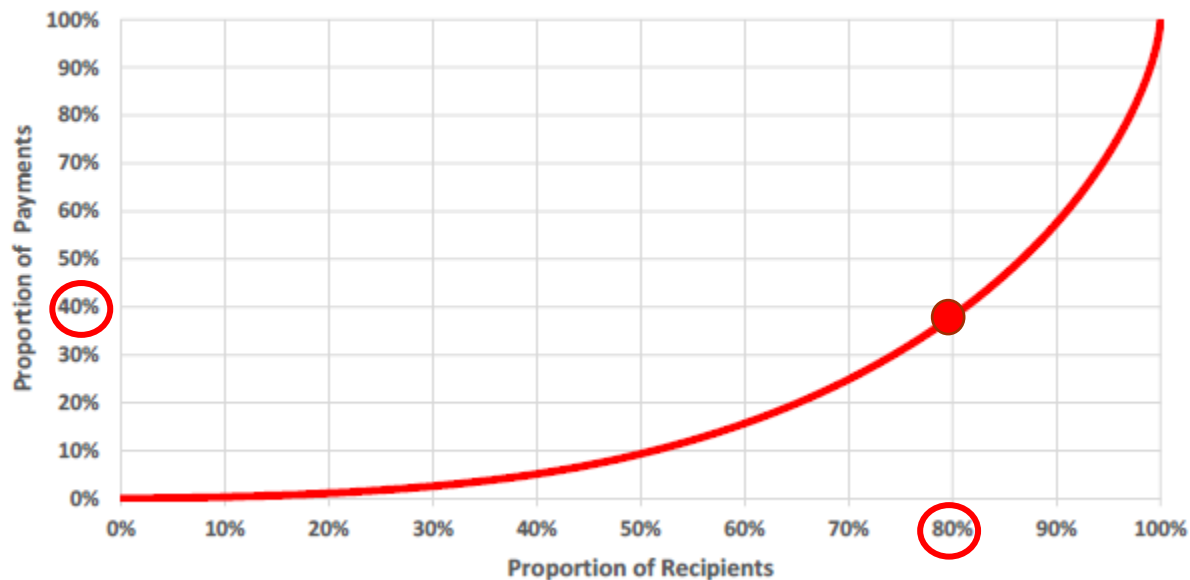
Policy change – disrupts *status quo*

- Especially for largest recipients

[Estimation of sectoral CAP payment 'envelopes' 2019 – gov.scot \(www.gov.scot\)](http://www.gov.scot)



'Direct' Payment Distribution



Environment, Forestry and Legacy Distribution

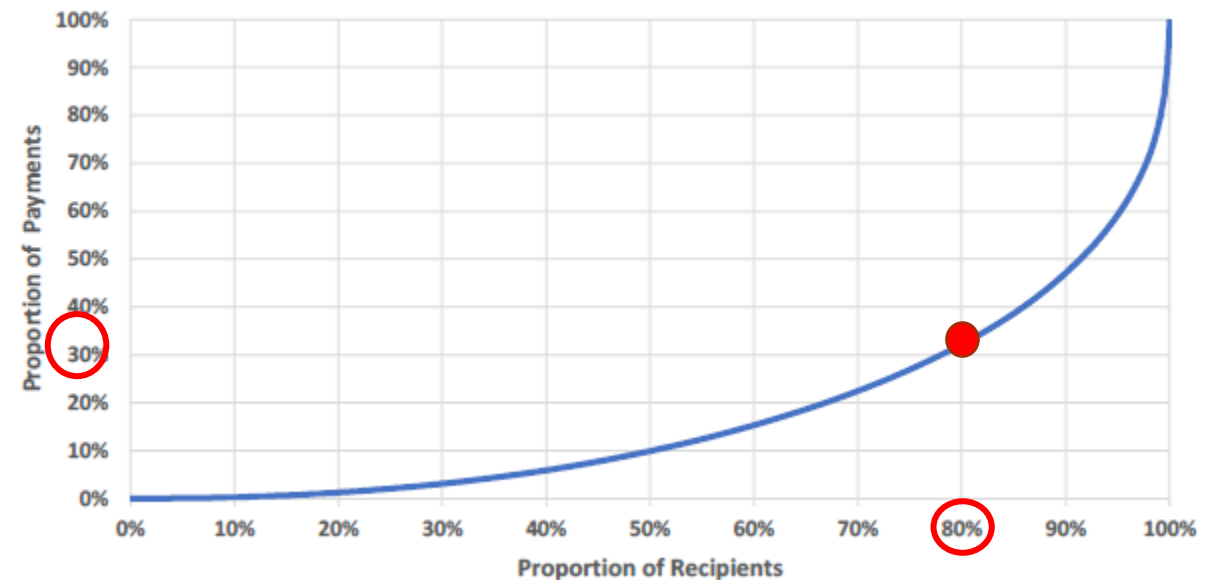
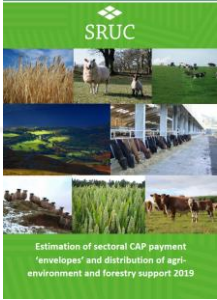
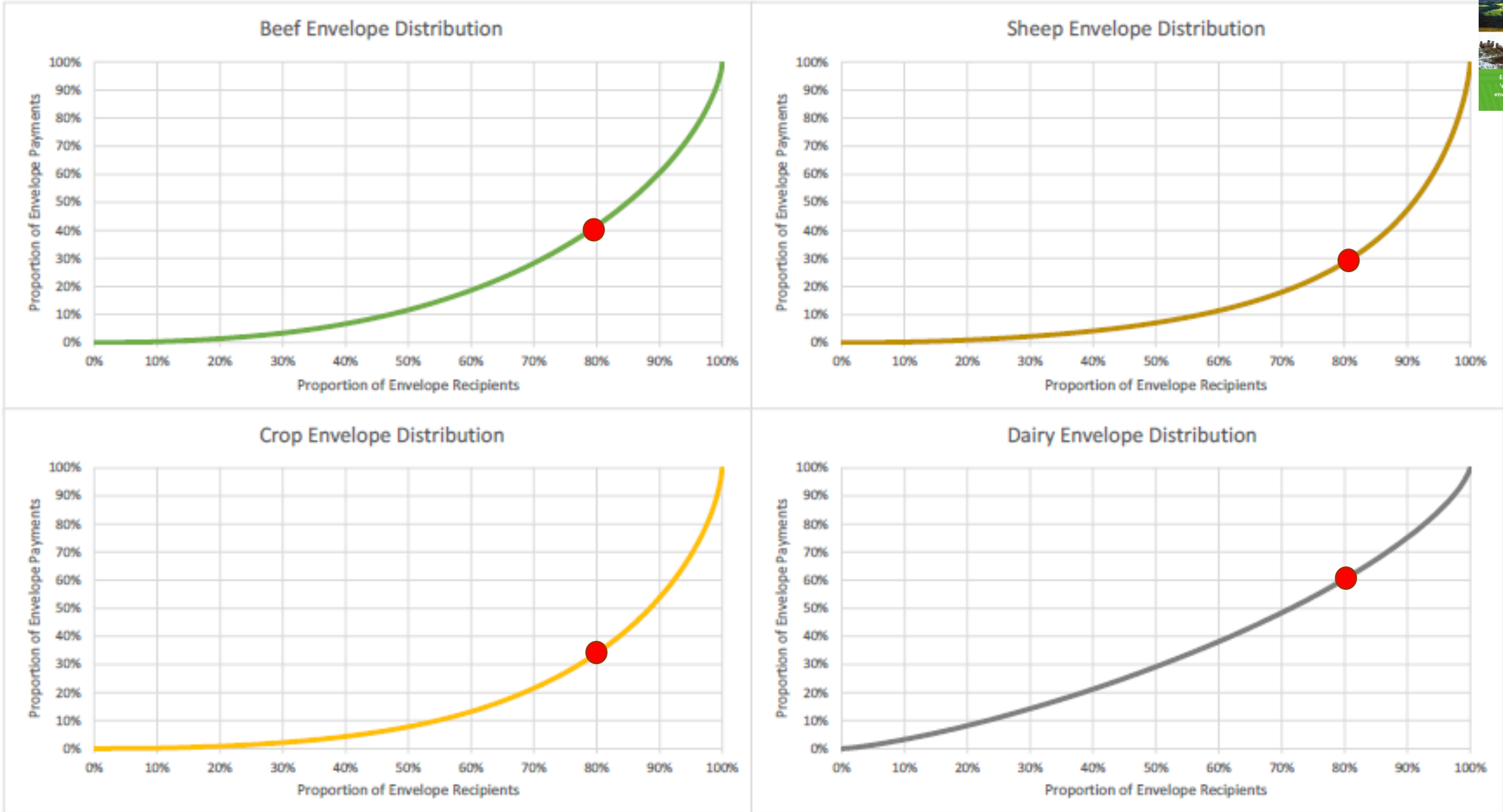
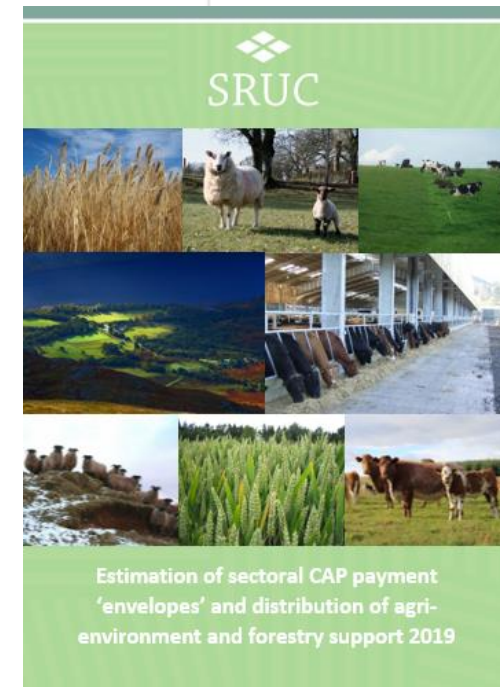
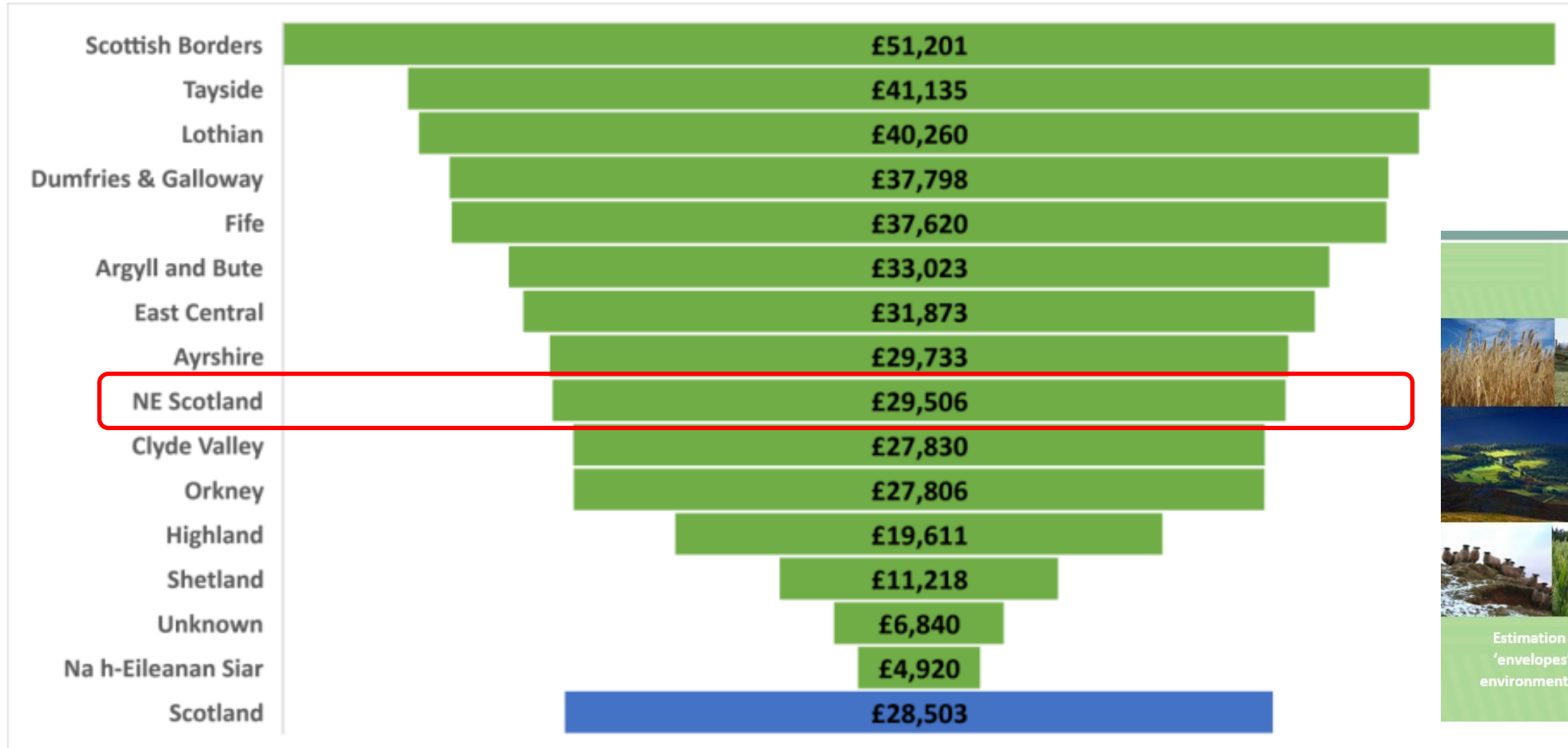


Figure 5 Cumulative distribution of sectoral envelopes amongst recipients



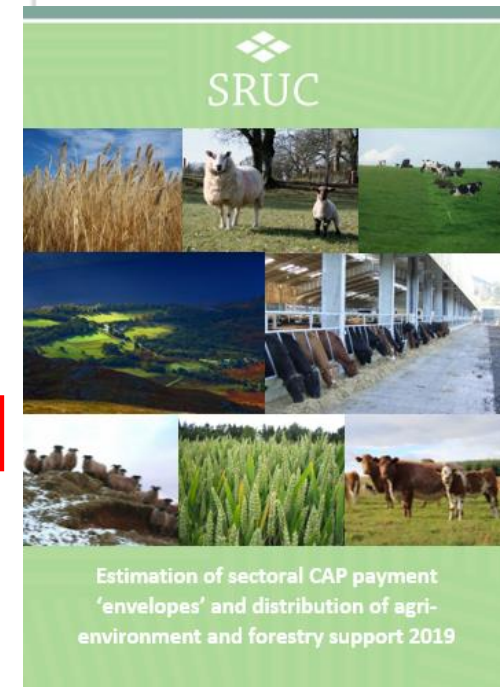
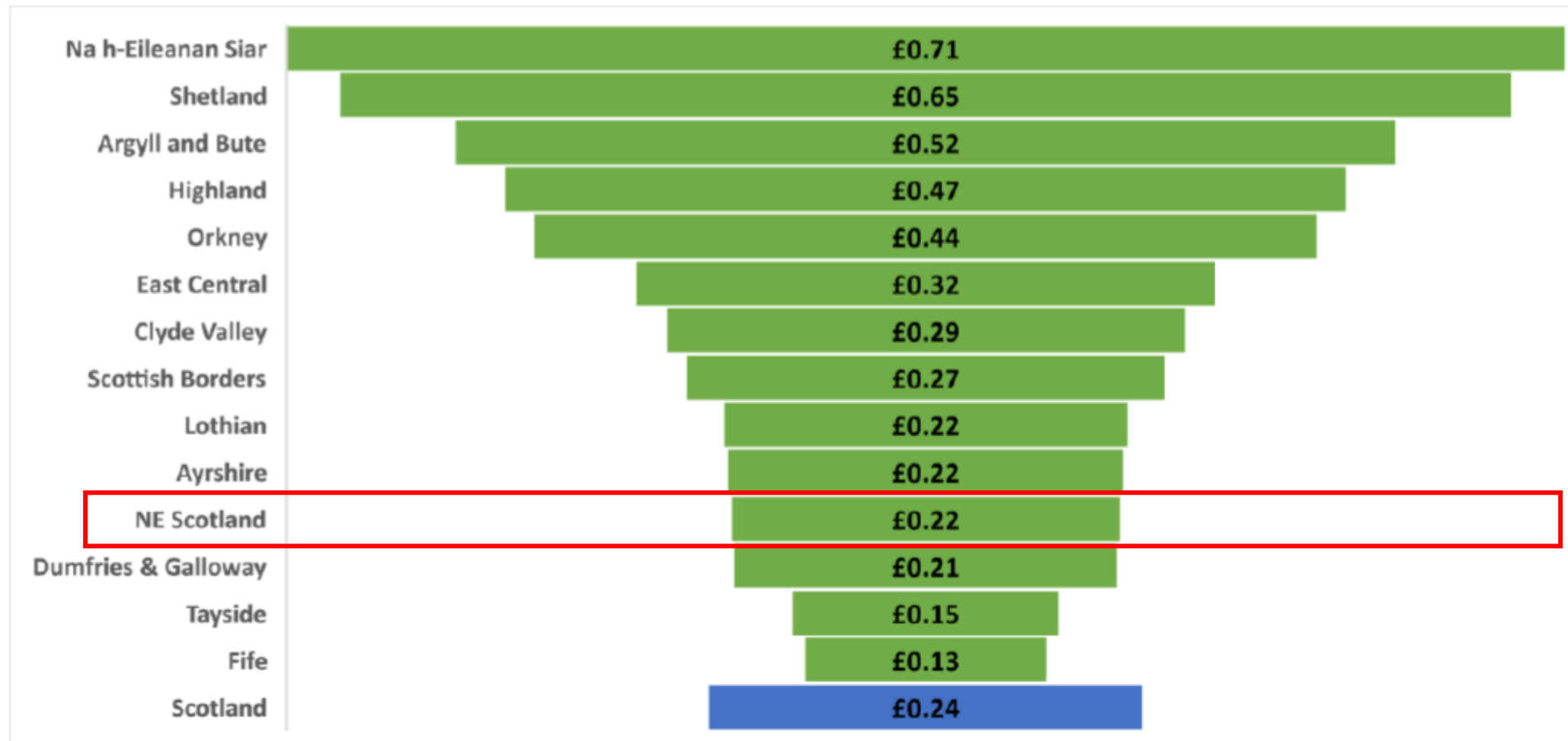
2019 – Average support per recipient

Figure 9 Average 'direct' support (2019) by agricultural region



2019 – Average support per unit of Standard Output

Figure 12 Direct payments per £1 of total standard output (including activities not in receipt of support) by agricultural region



Biodiversity, GHG & food security priorities



Scottish Government
Riaghaltas na h-Alba
gov.scot

Short Life Food Security and Supply Taskforce: report

THE ENVIRONMENT STRATEGY
FOR SCOTLAND:
VISION AND OUTCOMES



Scottish Government
Riaghaltas na h-Alba
gov.scot

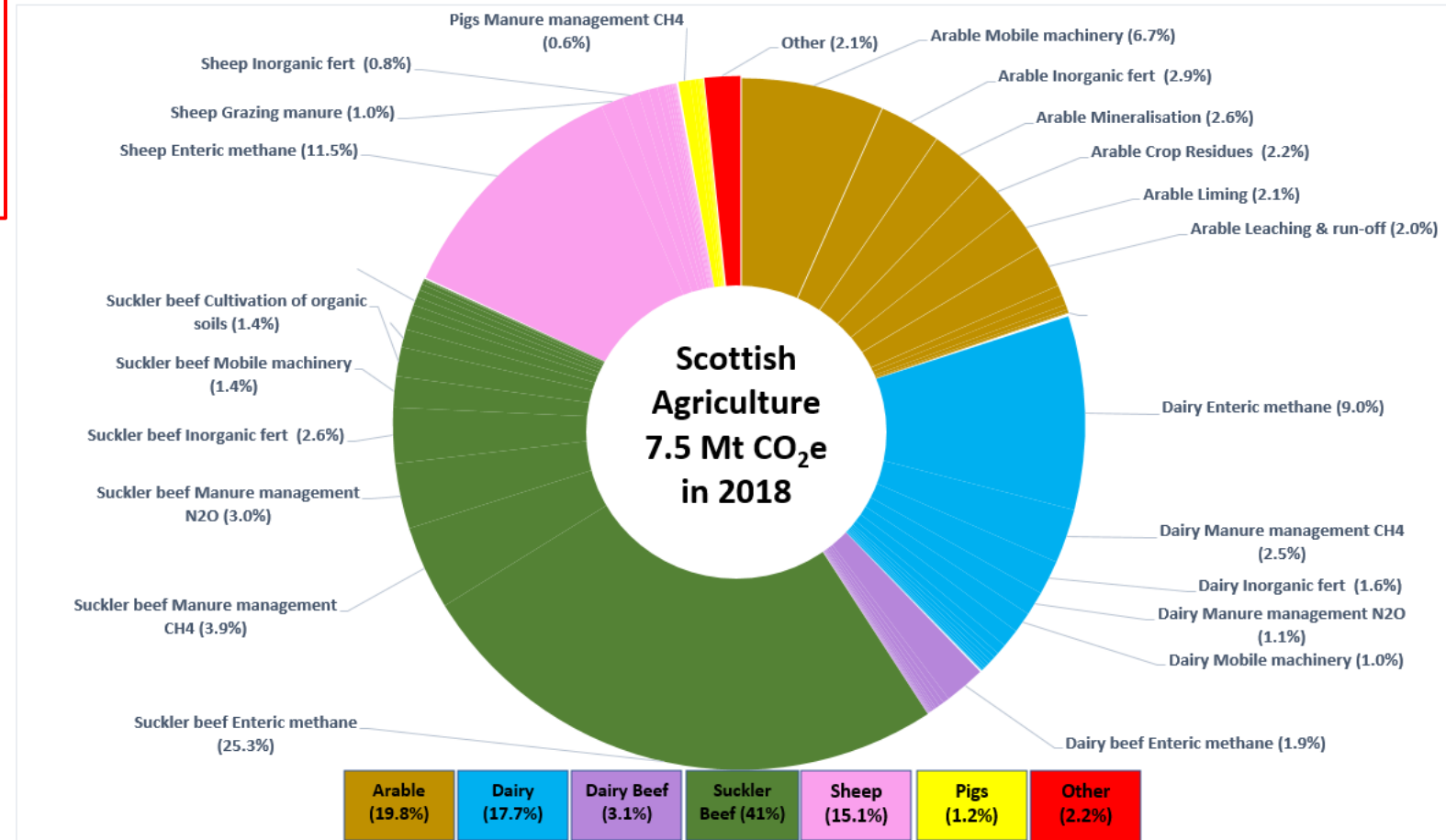
Scotland's Biodiversity Strategy

A Consultation

June 2022

Scottish Government
Riaghaltas na h-Alba
gov.scot

Scotland's Biodiversity Strategy: protect and restore biodiversity on land and in our seas, and to support healthier ecosystems



LULUCF – now significant net source (wetlands & peatlands)

<https://www.gov.scot/publications/disaggregating-headline-smart-inventory-figures/>

The Vision for Agriculture

- “transform how we support farming and food production in Scotland to become a **global leader in sustainable and regenerative agriculture**”
- framework that delivers
 - high quality food production,
 - climate mitigation and adaptation,
 - nature restoration
 - wider rural development
- “we will support and work with farmers and crofters to meet more of our own food needs sustainably and to farm and croft with nature”
- “remain committed to supporting active farming and food production with direct payments”
- “where practicable, stay aligned with new EU measures and policy developments”

The next step in delivering our vision for Scotland as a leader in sustainable and regenerative farming

<https://www.gov.scot/publications/next-step-delivering-vision-scotland-leader-sustainable-regenerative-farming/documents/>

February 2022

 Scottish Government
Riaghaltas na h-Alba
gov.scot

The Agriculture Bill consultation



Delivering our Vision for Scottish Agriculture

Proposals for a new Agriculture Bill

[Supporting documents – Delivering our vision for Scottish agriculture – proposals for a new Agriculture Bill: consultation – gov.scot \(www.gov.scot\)](#)

August 2022



- **What it is?**

- Details of a the **legislative framework** (primary legislation) proposed to enable future agricultural support payments to deliver the Vision for Agriculture
- Framework to **enable flexibility** and detail to be provided through **secondary legislation**
- Details of new **tenancy rules**
- **Equality & Fair work** principles



- **What it is not?**

- Details of what support might look like in the future for farmers
- Answers to many farmer / stakeholder questions on future support details

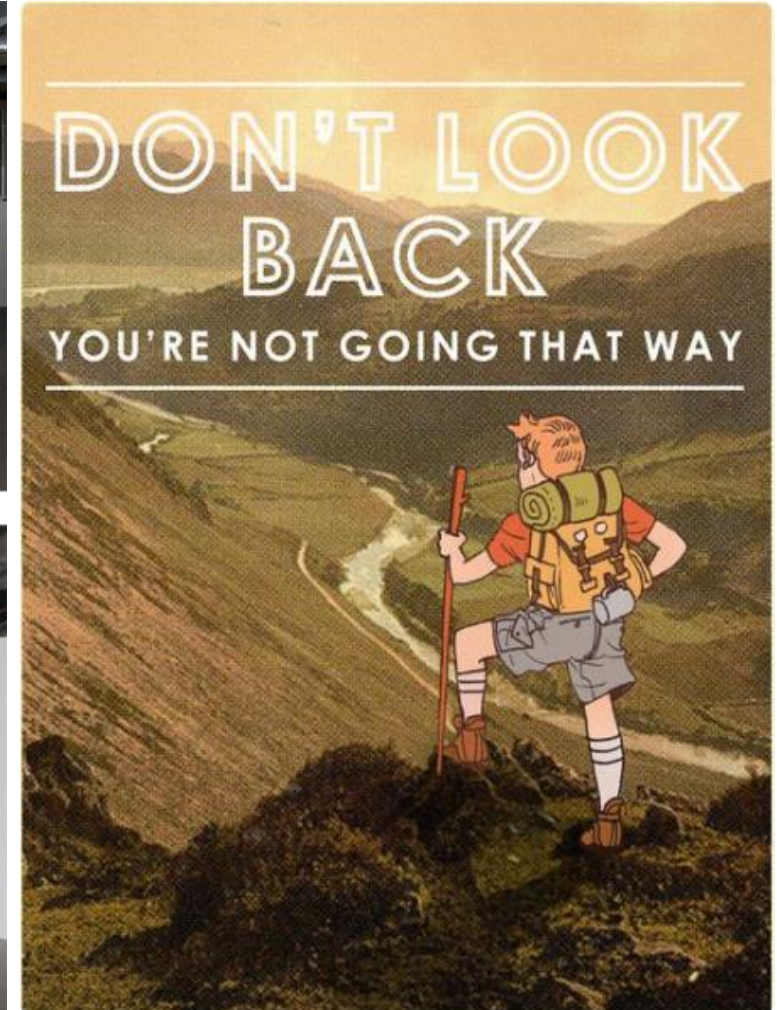
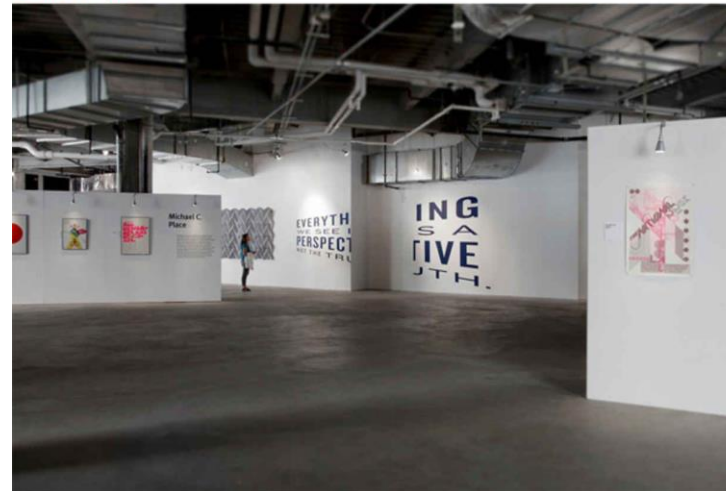
- **What is missing?**

- Illustrative examples of the types of future conditional measures for different farm types
- LFASS / ANC

Period of Policy flux – competing interests & perspectives



Different viewpoint



The Bill framework



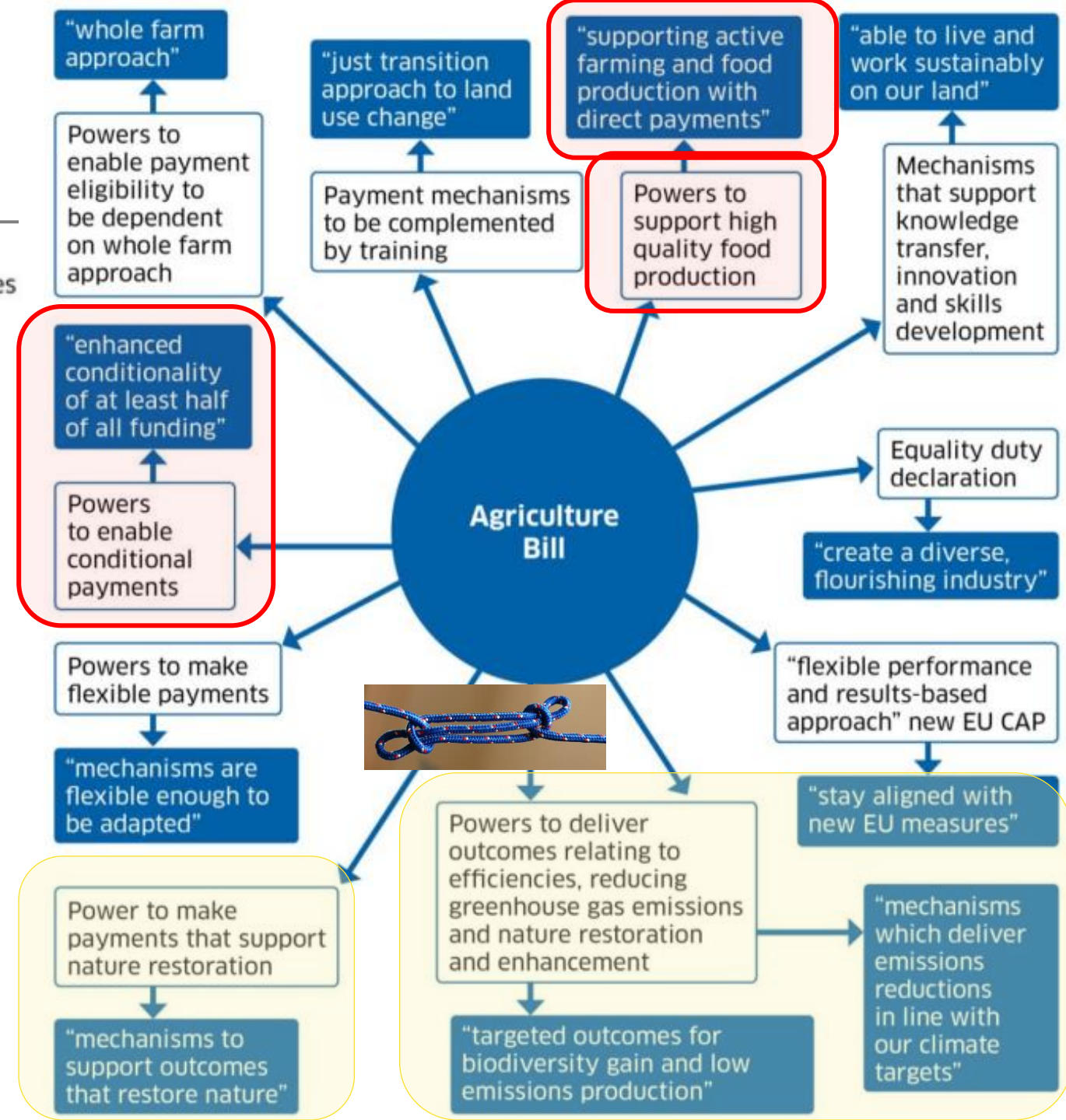
- 11 Vision values and principles
- Bill Powers and provisions

LETTER
 Institute of Auctioneers and Appraisers in Scotland letter: We need to present a united front to government

5th September



THE SCOTTISH
Farmer



Scotland – Post 2025 Support



Tier 1 & 2 Direct Payments

Tier 3 & Tier 4 Indirect Payments

Management Payments

Tier 1 Base Payment

To support active farming and food producers.

Conditional on essential standards to ensure climate, biodiversity, & business efficiency outcomes

Tier 2 Enhanced Payment

For businesses that are highly effective in:

Reducing greenhouse gas emissions

Nature restoration and enhancement

Tier 3 Elective Payment

Targeted actions to support:

Nature restoration

Innovation Support

Supply Chain support

Tier 4 Complementary Support

People Development

New Skills
Knowledge
Training
and CPD

Advisory
Services
Business
support

Measurement Tools

To measure
nature
restoration
and
enhancement

To measure
greenhouse
gas emissions
and
sequestration

Tree Planting

Peatland Restoration

Agricultural
Transformation Fund

Tier 4
Includes ANC / LFASS & “could provide for voluntary coupled support for beef and sheep sectors”



- Transitional stability; ratcheting-up conditions over time / greater coverage that competitive schemes

Non-Competitive:
*BPS/Greening
+ bolt-ons*

**Non-Competitive –
enhanced threshold:**
*BPS/Greening + GHG &
biodiversity condition
threshold score?*

Competitive:
*AECS / KTIF /
FPMCS / organics*



Management Payments

Enhanced Conditionality on 50% of future Direct Payments

**Tier 1
Base Payment**

To support active farming and food producers.

Conditional on essential standards to ensure climate, biodiversity, & business efficiency outcomes

**Tier 2
Enhanced Payment**

For businesses that are highly effective in:

Reducing greenhouse gas emissions
Nature restoration and enhancement

Enhanced Conditionality on 50% of future Indirect Payments

**Tier 3
Elective Payment**

Targeted actions to support:

Nature restoration
Innovation
Supply Chains

Conditionality

“Sustainable Farming Standards”*

Greening

Whole Farm Plan

Cross-Compliance (SMR's + GAEC)

National Test Programme

The TSF is focused on understanding which Measures will form part of the enhanced payment. As well as testing the menu and system design most appropriate to achieve SG objectives


List of Measures
being tested

- What of ANC/LFASS /coupled support?
- Budget allocation to tiers?
- EU alignment? – redistributive support / internal convergence
- ‘Lite’ smallholder scheme?



**Work stream required to define Sustainable Farming standards*

50% enhanced conditional direct support

- **50% baseline** remains conditional on GAEC / whole farm plan (?), / regular carbon audit (?), regular soil testing (?), AHWP(?), etc....
- **50% enhanced conditionality** on attainment of optional measures (candidate list of measures) based on threshold linked to scale of enterprise? 
- **What baseline regions** should support be paid on?
 - Current 3 region V alternatives



Soil Management for GHG Emission Reduction	6
Improve Cultivated Soil Health	12
Crop Management for GHG Emission Reduction	5
Improving grassland and grazing management	1
Livestock Management for GHG Emission Reduction	17
Cattle feeding	1
Nutrient Management for GHG Emission Reduction	7
Maintain and Enhance Field Margins and other Permanent Habitats	16
Create New Nature Rich Habitats	8
Manage for Species found on Farmed Land	17
Woodland Creation and Management	3
Total	93

Example Biodiversity Conditions

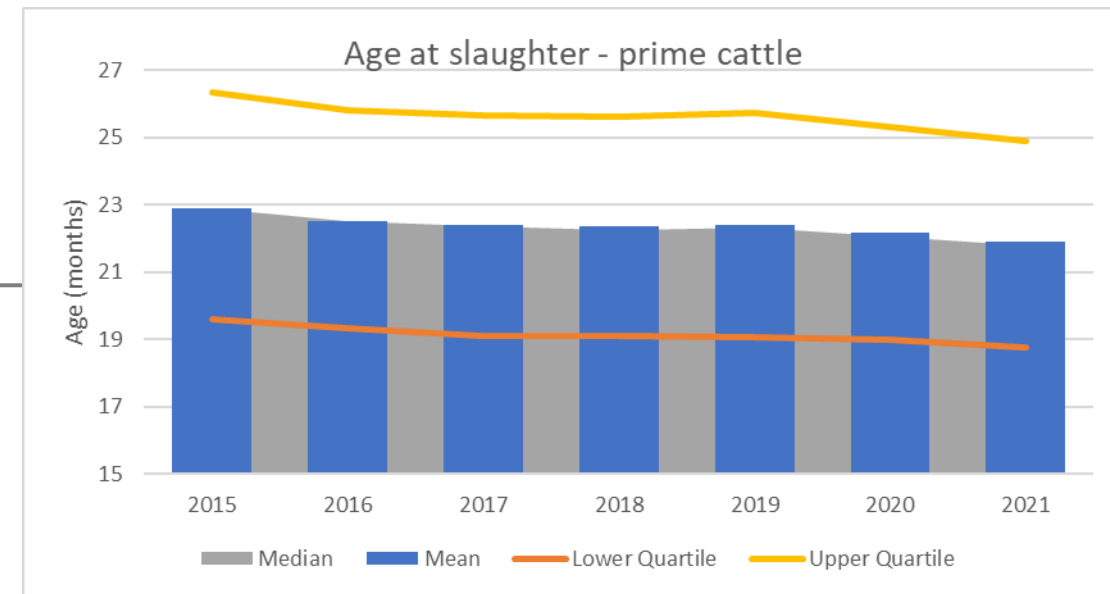
SUMMER GRAZING BY
CATTLE



PROTECT SCRUB OF
CONSERVATION VALUE

Coupled support?

- “Could include” but easy to target
- Increase budget?
- All sheep / beef calves / protein crops?
- Conditional on achieving metrics?
- Slaughter age premia?
- Methane inhibitors / breeding?
- Biodiversity grazing option?



Calving Interval (months between calf registrations)
FarmType = Beef

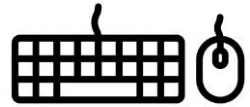
Calving Year	Animals	10th Percentile	Lower Quartile	Mean	Median	Upper Quartile	90th Percentile
2015	318,262	10.94	11.50	13.16	12.12	13.08	16.00
2016	319,322	11.01	11.60	13.21	12.22	13.17	15.90
2017	322,524	11.04	11.60	13.23	12.22	13.17	16.03
2018	313,508	11.04	11.60	13.20	12.19	13.14	15.90
2019	314,809	11.04	11.63	13.32	12.22	13.21	16.56
2020	318,837	10.94	11.50	13.12	12.12	13.01	15.74
2021	317,840	11.04	11.60	13.14	12.19	13.08	15.57

Year of first calf	Calves to Heifers	10th Percentile	Lower Quartile	Mean	Median	Upper Quartile	90th Percentile	Total Calf registrations	% calves to Heifers
2015	69,561	23.82	26.35	32.31	31.80	35.98	40.54	387,619	17.9%
2016	69,004	23.79	25.96	32.02	31.44	35.84	39.82	388,169	17.8%
2017	73,201	23.82	25.92	31.88	31.28	35.71	39.43	395,580	18.5%
2018	71,350	23.72	25.43	31.67	30.92	35.68	39.16	384,732	18.5%
2019	71,915	23.75	25.43	31.81	31.05	35.75	39.75	386,561	18.6%
2020	73,376	23.59	24.97	31.34	30.49	35.52	39.06	391,989	18.7%
2021	74,130	23.59	24.87	31.15	30.23	35.42	38.57	391,841	18.9%

Acknowledgements



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[@StevenGThomson](https://twitter.com/StevenGThomson)

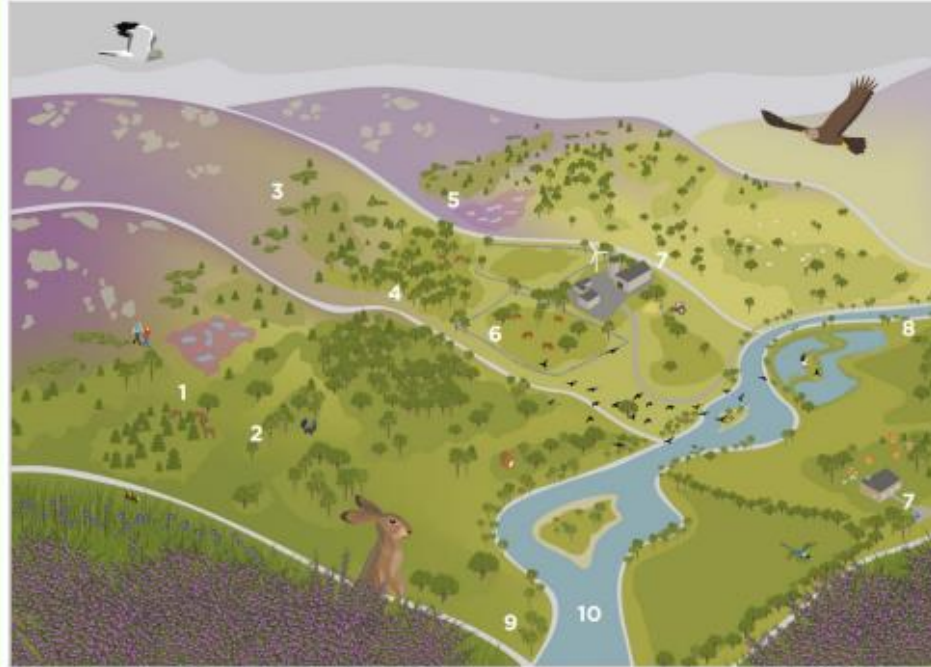
**Thanks to SEFARI Gateway and the Scottish Government's
2022–2027 Strategic Research Programme for funding**

Biodiversity Strategy – Farmland

[Scottish Biodiversity Strategy 2022 – Scottish Government – Citizen Space \(consult.gov.scot\)](#)

Towards a nature-rich landscape in the uplands

1. Controlling grazing and fewer deer mean trees, woodland understorey and other vegetation can come back which reduces soil erosion and water flows down the hill
2. Mosaics of habitats instead of a landscape dominated by heather and grass will support more insects, mammals, birds and other animals, plants, fungi and lichens
3. Creating natural open woodlands and scrub at higher elevations brings climate benefits, and a natural and scenic diversity that is currently missing
4. Expansion of deciduous and native trees and other woodland plants support more wildlife, reduce flooding risk and store carbon
5. Healthy peatlands hold vast amount of carbon, support unique plant species, absorb rain water and reduce greenhouse gas emissions



6. Silvopasture such as wood pasture is good for biodiversity, provides shelter to livestock, improves animal welfare and farm productivity
7. A nature-rich landscape can offer diverse livelihood opportunities and support a greater number of people
8. Reintroduced species such as beavers will enhance the range of benefits to people, in terms of water quality and smoothing water flows
9. Riparian woodlands shade and nourish the river helping fish and other aquatic wildlife be more protected from rising temperatures
10. A wilder river that has reclaimed its floodplain supports more wildlife, enhances landscape beauty, and reduces flooding downstream

Towards a nature-rich landscape in the lowlands

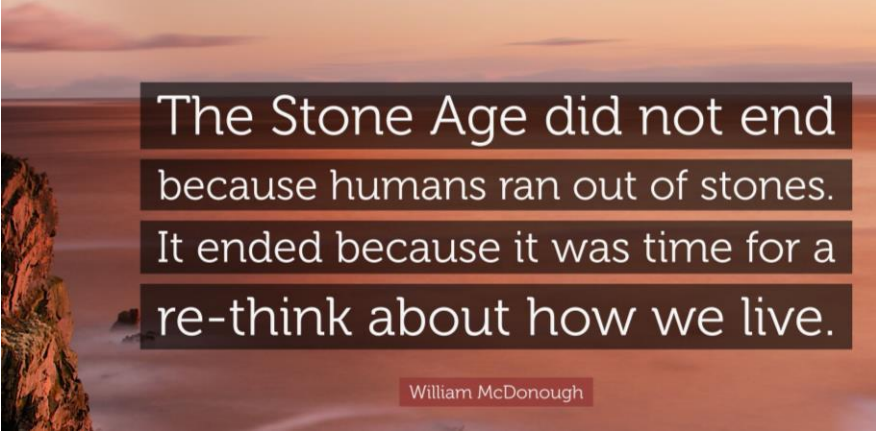
1. Restoring lowland raised bogs to a more natural state contributes to a more diverse lowland landscape and delivers climate benefits
2. Mixed forestry sequesters carbon, produces timber, and is more resilient to the changing climate and more beneficial to wildlife than single species plantations
3. Natural open woodlands and scrub at higher elevations bring climate benefits, and a natural and scenic diversity that is currently missing
4. A more nature-rich landscape in the lowlands can improve the well-being of local communities and visitors
5. Species-rich grasslands support scarce plant species, provide food to pollinators and other insects and bring colours to the landscape
6. Hedges wide and tall support more biodiversity, prevent erosion, sequester carbon and connect habitats, enabling wildlife to move through the landscape



7. Buffer zones of wetland vegetation growing by the side of the river, away from crops and fenced off from livestock, enable the resurgence of wetland plants and animals
8. The integration of trees in grassland or in crops in an agroforestry system can deliver multiple benefits for the environment and for farm productivity
9. A re-naturalised river system that supports wildlife and brings back riverine habitats enhances landscape beauty and reduces flood risk
10. Removing land at the field edge to create or enhance wildlife habitats is important as part of a network of nature-friendly linear features around fields
11. Cover crops, legumes and wild bird cover provide an additional boost to wildlife while reducing soil erosion

Policy (& private sector) disruption – not only here!

- Policy is evolving across Europe with greater emphasis on climate / biodiversity / pollution **& now food security & energy**



The Stone Age did not end
because humans ran out of stones.
It ended because it was time for a
re-think about how we live.

William McDonough

Irish farmers say they will be forced to
cull cows to meet climate targets

Government plan to cut agriculture emissions by 25% by 2030 will
drive many farms into bankruptcy, say critics

[Irish farmers say they will be forced to cull cows to meet climate targets |
Ireland | The Guardian](#)



“The impact of the eco-schemes along with further convergence, front loading and greater conditionality will hit a cohort of our most productive farmers the hardest.

[CAP Strategic Plan criticised following EU approval \(agriland.ie\)](#)

