

# Delivering our Vision for Scottish Agriculture - Proposals for a new Agriculture Bill

## Response by the Scottish Community Alliance

### Introduction

The Scottish Community Alliance welcomes the opportunity to comment on proposals for a new Agriculture Bill. The size of the budget and the geographic extent of recipients make this a rare and invaluable opportunity for the Scottish Government to align significant policy and funding levers to deliver against climate change and biodiversity targets. The Bill also has important implications for other policy areas, including land reform and community wealth building.

There is much to be applauded in the consultation document, especially in the sections that seek to modernise the tenurial and regulatory frameworks around agriculture, but we are concerned that proposals do not go anywhere near far enough in key areas. As the Climate Change Committee's 2021 Progress Report<sup>1</sup> says "There is still an urgent need for post-CAP low-carbon agriculture policy. The Scottish Government will be introducing an Agriculture Bill in 2023, which will have to be sufficiently ambitious": we do not consider that these proposals meet that challenge.

Agriculture is responsible for a very significant proportion of Scotland's greenhouse gas emissions. Agricultural emissions have fallen slower than those of other sectors in recent decades and the sector target in the updated Climate Change Plan of a 24% reduction between 2020 and 2032 is by far the smallest of all sectors. Indeed, the targeted 1.7 MtCO<sub>2</sub>e reduction does no more than match the anticipated increase in emissions from the Land use, land use change and forestry (LULUCF) sector, which are guaranteed to rise in the short term despite substantial woodland creation and peatland restoration work<sup>2</sup>.

However, there is currently no credible path to achieve even this limited ambition: if this bill does not drive significant reductions in emissions from agriculture and land use the prospect of achieving net zero targets is very remote. As the Cabinet Secretary says in her introduction "We should not shy away from being clear that we are on a journey of significant transformation": the proposals in the Bill must be worthy of these sentiments.

### Key changes in emphasis

We consider that significant changes in emphasis are needed in three key areas:

1. Eligibility criteria for the lowest tier must be more demanding: all payments must be contingent on delivery of outcomes relating to efficiencies, reducing greenhouse gas emissions and/or nature restoration and enhancement.
2. There should be much greater focus on, and budget distribution towards the measures proposed for Tiers 3 & 4 and for rural development in particular.
3. There should be a more inclusive and balanced distribution of the budget between beneficiaries.

We make a number of specific proposals for the first two points in responses to the individual questions below, but the consultation largely ignores distributional issues. The current budget is disproportionately skewed to the largest and richest producers and processors: this reinforces existing inequalities and drives up land prices as subsidies are capitalised into land values. It is also increasingly clear that the distribution of funds on historic "entitlements" (a term which

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<sup>1</sup> <https://www.theccc.org.uk/publication/progress-reducing-emissions-in-scotland-2021-report-to-parliament/>

<sup>2</sup> Figures from CCP update p253: Agricultural emissions fall from 7.0 to 5.3 MtCO<sub>2</sub>e, LULUCF emissions rise from 0.6 to 2.3 MtCO<sub>2</sub>e. As the report notes, the rise in LULUCF emissions reduction is a largely unavoidable legacy of reduced woodland creation from 1990s onward and the correspondingly decline of the size of the forestry sink.

encapsulates many of the problems with the current system) inhibits rather than incentivises the radical changes needed to tackle the climate and nature emergencies. The bill should include mechanisms for:

- Capping of direct payments
- Means testing of recipients of direct payments
- Reduction or removal of the minimum area threshold for direct payments
- Easier access for genuine new entrants to farming / crofting

## **Food security**

Concerns over the impact of climate breakdown on global food supply have been exacerbated by the COVID pandemic and Russia's invasion of Ukraine, and proposals to change land use to tackle climate change or restore nature are often opposed on the grounds of "food security". This appeal to fear is disingenuous and does not in any way reflect the reality of Scottish agri-business perpetuated by the current system, which is very inefficient in terms of both food production and supply chain resilience.

- Most arable land grows barley and wheat for alcohol production and animal feed;
- Most of the rest of our agricultural land is used for extensive sheep and cattle grazing;
- The food supply chain is dominated by large scale processors and supermarkets and does not adequately reward high quality, small-scale and local producers.

We agree that food security and supply chain resilience should be a focus of policy, but consider that this will not be achieved by simply finding new pretexts for the same old subsidies, but by transforming to a low carbon food economy, with more local production, processing and retail.

Scotland's climate ensures that many foodstuffs, from bananas to coffee, must be imported, but it is perfectly feasible to produce more of the food we can grow, whilst reducing the environmental impact and releasing land from production. In particular, less land must be used for growing crops for alcohol or to feed to animals, and much more for domestic fruit, vegetable and pulse production. We need a wider variety of home-grown cereals feeding people directly, with value added in Scotland, an expansion of market gardens supplying local consumers with fruit and vegetables and the development of a Scottish glasshouse sector at different scales and locations.

These changes in food production must be matched by changes in consumption to ensure that emissions are not off-shored. As the CCC progress report says "There should ... be a clear plan to move towards healthy, low-carbon diets."<sup>3</sup> This may not be within the scope of this bill but there is an urgent need for Scottish Government to assume a much more proactive role in this area.

## **Strategy, Reporting and stakeholder oversight**

The consultation document largely focuses on enabling powers to facilitate continued disbursement of subsidy and grant. Alongside these, the Agriculture Bill should include measures covering detailed strategy, regular reporting and external stakeholder oversight:

- A requirement on Scottish Ministers to prepare an agriculture strategy (similar to that for forestry required by the 2018 Forestry and Land Management (Scotland) Act), setting out their vision, objectives, priorities and policies with respect to sustainable food production,

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<sup>3</sup> p18

greenhouse gas emissions, diffuse pollution, the conservation and enhancement of the environment, organic production, etc.

- A requirement on Scottish Ministers to produce implementation plans with targets for desired outcomes and to report to Parliament on delivery of the strategy on a regular cycle (e.g. 3 years, as is the case for the Scottish Forestry Strategy).
- Establishment of mechanisms for external oversight (with stakeholders drawn from a wider range of rural and community organisations), and transparent monitoring and evaluation procedures. These are essential to retain public confidence that the very substantial budget is delivering public value for money and contributing effectively to tackling climate change and the biodiversity crisis.

## **A Future Payment Framework**

### **Proposal**

**Tier 1** is proposed as a Base Level Direct Payment to support farmers and crofters engaged in food production and land management. This could be viewed as an income support payment for farmers and crofters and will be 'conditional' on essential standards being met to ensure appropriate activity, climate, biodiversity and business efficiency outcomes. Support could be 'conditional' on meeting agreed 'eligibility criteria' such as active farming criteria, a 'Whole Farm Plan', Cross Compliance Regulations and Greening measures. The whole farm plan could include requirements such as a, 'Fair Work Declaration', 'Animal Health and Welfare Declaration', 'Business plan' 'Equality Duty Declaration' including opportunities for women, 'Climate, Environmental, and Nature Declarations', 'Land Management Plans', and 'Carbon, Soil and Biodiversity Audit Declarations'. The purpose of the Whole Farm Plan is to ensure farm and croft activities form the underpinning basic level of sustainability and resilience required for all businesses in receipt of public support.

**Tier 2** is proposed as the Enhanced Level Direct Payment which follows on from the Base Level Direct Payment. It goes a step further than the 'conditional' measures and offers 'additional' measures to deliver outcomes relating to efficiencies, reducing greenhouse gas emissions and nature restoration and enhancement. This proposal will support producers in being more efficient, incentivise sustainable and regenerative farming practices and improve business resilience.

**Tier 3** is proposed as the Elective Payment which follows on from the Enhanced Direct Payment and focusses on targeted measures for nature restoration, innovation support and supply chain support. The Elective Payments would be wide ranging and, where relevant, location specific to ensure thriving rural communities. This will support those in the industry to gain or maintain knowledge and skills required to manage land sustainably, such as targeted support for particular species or habitats, support conversion to alternative forms of agriculture such as organic production and encourage innovation. Support mechanisms developed under this tier could support individuals, co-operatives, or groups involved in delivering targeted outcomes who are not necessarily recipients of support under tiers 1 and 2.

**Tier 4** is proposed as complementary to Tiers 1, 2, and 3. We propose this to enable the delivery of continuous professional development (CPD), advisory services; support for tree planting, woodland management and associated supply chain support; peatland restoration and management; the agricultural transformation fund; support for areas of natural constraint; and could provide for voluntary coupled support for beef and sheep sectors. Support mechanisms developed under this tier could support individuals or groups involved in delivering targeted outcomes who are not necessarily recipients of support under tiers 1, 2 or 3.

Both Tier 1, the Base and Tier 2, the Enhanced Direct Payments are proposed to be non-competitive (there will be no competing applications for payments). This support will be open for

everyone meeting the 'eligibility criteria'. Tier 3 the Elective payments and Tier 4 the Complementary Support may combine some non-competitive support with some more focussed support which will be competitive to provide targeted actions and deliver the most benefit from the available budget.

- a) Do you agree with the proposal set out above, in relation to the Agriculture Bill including a mechanism to enable payments to be made under a 4 tiered approach?

No

Please give reasons for your answer.

We agree with a tiered approach but do not agree that four tiers are necessary. We consider that Tiers 1 & 2 should be combined: i.e. that all payments should be contingent on delivery of outcomes relating to efficiencies, reducing greenhouse gas emissions and nature restoration and enhancement.

There is an urgent need to move away from the historic area-based payment system for direct funding, which rewards the richest farmers on the most productive land rather than those in greatest need or delivering greatest public benefit: the richest 10% take 42% of the budget, whilst the poorest 50% share just 10%.

We are also unclear as to the rationale for splitting Tiers 3 and 4, and are concerned that this will have the effect of marginalising the most important support areas (those which deliver the greatest public benefit), which appear to have been consigned to Tier 4.

- b) Do you agree that Tier 1 should be a 'Base Level Direct Payment' to support farmers and crofters engaged in food production and land management?

No

Please give reasons for your answer.

We do not agree with the continuation of a 'Base Level Direct Payment' with minimal delivery of public benefit, especially as this will likely consume the majority of the budget. Experience from previous CAP programmes shows that these subsidies encourage inertia, disincentivise innovation and will not facilitate the sort of rapid change needed to deliver climate change mitigation or nature restoration. Additionally, it is widely recognised that the entitlement to direct payments is capitalised into land values<sup>4</sup>, contributing to land price inflation and speculation and frustrating community development.

We note that rather than focusing on driving improved farming practices, Tier 1 is framed in the consultation proposals as "income support" and eligibility appears to be based almost entirely on bureaucratic conformity, via the adoption of a wide range of "declarations". This does not align with the need, especially in a time of financial stringency, to ensure public funding delivers public benefits.

- c) Do you agree that Tier 2 should be an 'Enhanced Level Direct Payment' to deliver outcomes relating to efficiencies, reducing greenhouse gas emissions and nature restoration and enhancement?

No

Please give reasons for your answer.

As noted above, we consider that Tiers 1 & 2 should be combined, and outcomes relating to

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<sup>4</sup> See reports of Scottish Affairs Committee on Land Reform and the Land Reform Review Group.

efficiencies, reducing greenhouse gas emissions and/or nature restoration and enhancement should be a requirement of the basic tier of payment, with all recipients of public funding committed to deliver some or all of these.

The whole farm plan (identified as a requirement for Tier 1) should include measurable commitments to climate change and/or nature recovery outcomes. This should include a plan to reduce greenhouse gas (GHG) emissions against a properly assessed baseline by a specified quantity / percentage, with on-going payments contingent on delivery.

The simplest model would be to say that all holdings should reduce GHG by a fixed percentage (e.g. 25%), but we are conscious that this might disadvantage those land managers who have already taken steps to significantly reduce emissions. A fairer model would be to establish benchmarks for a range of farm types and use these as the basis for reduction commitments. The key point is that however these targets are set, they must be challenging, and drive significant emissions reductions across the board.

d) Do you agree that Tier 3 should be an Elective Payment to focus on targeted measures for nature restoration, innovation support and supply chain support?

No

Please give reasons for your answer.

As noted above, we consider that Tiers 3 & 4 should be combined. We agree that there should be elective payments focusing on targeted measures for nature restoration and innovation support and, with some caveats, for supply chain support, but do not agree that these measures should be prioritised (as the tier hierarchy suggests) over measures which have been assigned to Tier 4.

Supply chain support should be confined to innovative projects which deliver clear climate change benefits, either directly through reducing emissions or by providing new processing opportunities for innovative producers. Supply chain support should be subject to capping and means testing and should not allow national businesses with turnovers >£100m to receive grants of >£1 million in successive years.

e) Do you agree that Tier 4 should be complementary support as the proposal outlines above? If so what sort of Complementary Support do you think would be best to deliver the Vision?

No

Please give reasons for your answer.

We are very supportive of many of the measures proposed under Tier 4 but do not agree that these should be confined to the lowest tier, rather, this should be combined with Tier 3.

Proposed measures we support include:

- continuous professional development (CPD),
- advisory services;
- support for tree planting, woodland management and associated supply chain support;
- peatland restoration and management.

We support the inclusion of the agricultural transformation fund as long as it is focused (as it has been in 2022) on measures which will have a clear climate change or nature restoration outcome.

Whilst we recognise that farmers and crofters in many areas of Scotland face additional natural constraints we do not agree that a separate measure is required to address this. Rather,

accommodation for additional geographic constraints should be built into the design of the Tier 1/2 direct payments. Any such measures should be targeted at areas of greatest natural constraint, rather than the current LFASS coverage of 86% of Scotland.

We do not agree with the continuation of voluntary coupled support for beef and sheep sectors: additional direct subsidy for this sector is completely inappropriate in the context of the climate emergency and the need to radically reduce emissions.

f) Do you agree that a 'Whole Farm Plan' should be used as eligibility criteria for the 'Base Level Direct Payment' in addition to Cross Compliance Regulations and Greening measures?

Yes (but)

Please give reasons for your answer.

We agree that agricultural holdings should produce a whole farm plan as **one of** the eligibility criteria for public subsidy. However, we note that the proposed content of the plan is heavy on bureaucracy and "declarations", and very light on action. As noted above, the plan should contain concrete proposals for emissions reductions and/or nature recovery.

Whilst we are supportive of the objectives of the various declarations, we do not consider that simply agreeing to meet expected standards is sufficient justification for receipt of public funding, nor are we convinced that a simple tick-box approach will deliver enhanced sustainability or resilience.

It is unclear in the proposals whether all these requirements will apply to all farmer and crofters, regardless of scale or business type/structure, especially as a very significant proportion of subsidy recipients do not employ anyone else, or whether a simplified regime is proposed for smaller farm and croft businesses. We suggest that any such requirement for small farms and crofts under a specified size or turnover should be very light touch.

In the SCA's response to the recent consultation on the Land Reform Bill we supported the proposal that there should be a duty on large-scale landowners to publish Land Management Plans, arguing that this should be a condition for receipt of public subsidy and that their compilation should include a public consultation phase. It is unclear how the proposal here for Whole Farm Plan would interact/overlap with these Land Management Plans proposed as part of the Land Reform Bill.

g) Do you agree that the new Agriculture Bill should include a mechanism to help ensure a Just Transition?

Don't know

Please give reasons for your answer.

We are very supportive of measures to ensure a Just Transition (JT) to net zero, but given the multi-faceted nature of JT, are unclear how this can be delivered by a single mechanism. We have answered "don't know" because the consultation document does not identify the specific mechanism(s) to be included.

It would be preferable to have JT embedded throughout the new payment framework, and indeed, some of the other proposed measures may contribute. We note that the JT commission suggested a number of measures, including better targeting of subsidies to encourage farm businesses to meet climate change and other environmental targets, and enhanced CPD / skills training for farmers and land managers.

One potential mechanism would be to use funds to support farmers to leave the industry in a fair and dignified way. This should however, be tied to measures to take land out of the most damaging

forms of production: simply subsidising generational change will not contribute to achieving net zero (and without net zero there is no transition, just or otherwise).

- h) Do you agree that the new Agriculture Bill should include mechanisms to enable the payment framework to be adaptable and flexible over time depending on emerging best practice, improvements in technology and scientific evidence on climate impacts?

Yes

Please give reasons for your answer.

This seems a prudent proposal, recognizing that technology will develop and our understanding of climate changes and the impacts of mitigation measures will evolve. We note that historically agricultural research and technological development has focused on increasing yield, rather than reducing negative impacts – a change in emphasis is required.

Developing an Agriculture Strategy, as proposed in our introductory would provide a framework against which to assess the potential impact of existing and emerging practice, e.g. for mitigating climate change or supporting community resilience, rather than relying on a reactive approach.

- i) Do you agree that the new Agriculture Bill should include mechanisms to enable payments to support the agricultural industry when there are exceptional or unforeseen conditions or a major crises affecting agricultural production or distribution?

Yes

Please give reasons for your answer.

We agree that such a mechanism should be available, but it should be reserved for genuinely “exceptional or unforeseen conditions or a major crisis”; this should not include the increasingly frequent severe weather events which, rather than being exceptional or unforeseen, are an entirely predictable consequence of past failure to take meaningful action to tackle climate change.

## **B Delivery of Key Outcomes**

To deliver the Vision and “emission reductions in line with our climate targets” we propose:

1. The new Agriculture Bill should include powers and other mechanisms to allow future payments to farmers, crofters and land managers to support delivery of national climate change mitigation objectives (including the statutory economy-wide greenhouse gas emissions reduction targets and duties set in the Climate Change (Scotland) Act 2009).
2. The new Agriculture Bill should include powers and other mechanisms to allow future payments to farmers, crofters and land managers to support delivery of national climate change adaptation objectives (e.g. building resilience to relevant risks identified in statutory Climate Change Risk Assessments).
3. The new Agriculture Bill should include a mechanism to enable payments to be made that are conditional on outcomes that deliver climate mitigation and/or adaptation measures, along with targeted elective payments.
4. The new Agriculture Bill should include a mechanism to enable payments to be made that support integrated land management, such as for peatland and woodland outcomes on agricultural holdings, in recognition of the environmental, economic and social benefits that it can bring.

- a) Do you agree with the proposal set out above, in relation to the new Agriculture Bill including measures to allow future payments to support climate change mitigation objectives? Do you have any views on specific powers and/or mechanisms that could support such alignment?

Yes

Please give reasons for your answer.

We agree with the proposal to allow future payments to support climate change mitigation objectives, and consider that this should be a major focus of funding. As noted above, the delivery of climate change goals should be a condition of eligibility for the basic funding tier.

The World Wildlife Fund Scotland report, Reaching Net Zero in Scotland, examined 37 different measures to reduce GHG emissions. Measures with the most potential were: reduction in nitrogen fertiliser use; the use of legumes in grasslands; rotational grazing in species diverse grassland; feed additives for ruminants; improved animal health and breeding; organic farming; and agroforestry. These measures should be encouraged and incentivised, and backed up by advisory service support.

Support for decarbonising agriculture through micro-hydros and other micro-renewables, which are accessible to a wide constituency of farmers and crofters (and contribute to social, economic and environment outcomes) should be included in Tier 3/4.

- b) Do you agree with the proposal set out above, in relation to the new Agriculture Bill including measures to allow future payments to support climate change adaptation objectives? Do you have any views on specific powers and/or mechanisms that could support such alignment?

Yes

Please give reasons for your answer.

We agree that the bill should include measures to support climate change adaptation, particularly in order to develop more resilient food systems, reducing nitrogen fertilizer use and using more land to grow food for direct consumption rather than animal feed or alcohol.

- c) Do you agree with the proposal set out above, in relation to the new Agriculture Bill including a mechanism to enable payments to be made that are conditional on outcomes that support climate mitigation and adaptation measures, along with targeted elective payments?

Yes

Please give reasons for your answer.

As noted above all, payments should be conditional of delivery of public benefit, including climate mitigation and adaption measures.

- d) Do you agree with the proposal set out above, in relation to the new Agriculture Bill including measures that support integrated land management, such as peatland and woodland outcomes on farms and crofts, in recognition of the environmental, economic and social benefits that it can bring?

Yes

Please give reasons for your answer.

Any future funding schemes should be designed to encourage farms to take an integrated land management approach, with greater integration of trees on farms and crofts a crucial element in this process. Farmers should not be disadvantaged with respect to area-based payments for land

which is used for grazed woodland, extended hedges, trees in fields, field margins, riparian planting, scrub, wetland, ponds etc, whilst removal of hedges, ponds, etc., should be heavily penalised.

## **Nature Protection and Restoration**

To deliver the Vision and “contribute to the restoration of nature through biodiversity gain” we propose:

1. We propose the new Agriculture Bill should include powers and mechanisms to protect and restore biodiversity, support clean and healthy air, water and soils, contribute to flood risk management locally and downstream and create thriving, resilient nature.
  2. The new Agriculture Bill should include a mechanism to enable payments that are conditional on outcomes that deliver nature restoration, maintenance and enhancement, along with targeted elective payments.
  3. That the new Agriculture Bill should include a mechanism to enable and support action on a catchment or landscape scale.
- a) Do you believe the new Agriculture Bill should include a mechanism to protect and restore biodiversity, support clean and healthy air, water and soils, contribute to reducing flood risk locally and downstream and create thriving, resilient nature?

Yes

Please give reasons for your answer.

We are supportive of this proposal and the others in this section but consider that any such measures must be subject to appropriate baselining, monitoring and reporting, to ensure that outcomes and public benefit from investment can be appropriately assessed and evaluated.

Biodiversity restoration frequently requires both a long term approach and work across the march fence, at a landscape scale: there needs to be an appropriate balance between funding for short term intensive (and expensive) works and the long term follow up and maintenance for e.g. rhododendron control.

- b) Do you believe the new Agriculture Bill should include a mechanism to enable payments that are conditional on outcomes that support nature maintenance and restoration, along with targeted elective payments?

Yes

Please give reasons for your answer.

- c) Do you believe the new Agriculture Bill should include a mechanism to enable landscape/catchment scale payments to support nature maintenance and restoration?

Yes

Please give reasons for your answer.

The greatest opportunities for nature enhancement are often found at landscape/catchment scale. Riparian management, flood prevention, invasive non-native species and herbivore control are all most effectively dealt with at a large scale.

## **High Quality Food Production**

- a) Do you agree that the powers in the Agriculture and Retained EU Law and Data (Scotland) Act 2020 should be extended to ensure Scottish Ministers have flexibility to better respond to current, post exit, circumstances in common market organisation and easily make changes to rules on food?

Yes

Please give reasons for your answer.

- b) Do you agree that Scottish Ministers should have powers to begin, conclude, or modify schemes or other support relevant to the agricultural markets?

Yes (but)

Please give reasons for your answer.

We agree that Scottish Ministers should have powers to tailor support for the specific examples given, i.e. to produce more of our own fruit, vegetables, and horticulture products; assist the apiculture programme; support the circular economy; or meet our climate change and biodiversity targets, but we would have concerns if these powers were too widely framed.

- c) Do you believe the new Agriculture Bill should include a mechanism to enable payments that support high quality food production?

Don't know

Please give reasons for your answer.

We consider more information is required as to what is proposed and the circumstances under which such payments would be made. We note that the proposal is focused on high-quality food: we consider that this excludes alcohol production.

Measures in this Bill should encourage organic and pesticide-free agriculture, high labour standards throughout the supply chain, short food chains and traditional processing between the farmgate and the plate.

- d) Do you believe the new Agriculture Bill should include a mechanism to provide grants to support industry in the agri-food supply chain to encourage sustainability, efficiency, co-operation, industry development, education, processing and marketing in the agri-food sector?

Don't know

Please give reasons for your answer.

As above, more information is required as to what is intended. Any measures should be targeted towards local, small-scale and community-led infrastructure or the development of cooperation initiatives.

- e) Do you believe the new Agriculture Bill should include powers for Scottish Ministers to declare when there are exceptional or unforeseen conditions affecting food production or distribution?

Yes (but)

Please give reasons for your answer.

As per our previous answer in section A, any such powers must be clearly defined and reserved for genuinely exceptional or unforeseen conditions; this should not include the increasingly frequent

severe weather events which, rather than being exceptional or unforeseen, are an entirely predictable consequence of failure to take meaningful action to tackle climate change.

- f) Do you believe the new Agriculture Bill should include powers for Scottish Ministers to provide financial assistance to the agri-food sector and related bodies whose incomes are being, or are likely to be, adversely affected by the exceptional or unforeseen conditions described in the declaration referred to above?

Yes (but)

Please give reasons for your answer.

As per our previous answer in section A, any such powers must be clearly defined and constrained, and any financial assistance reserved for genuinely exceptional or unforeseen conditions.

- g) Do you agree that the new Agriculture Bill should include the powers to process and share information with the agri-food sector and supply chains to enable them to improve business efficiency?

Don't know

Please give reasons for your answer.

## Wider Rural Development

To deliver the Vision and “ensure that Scotland’s people are able to live and work sustainably on our land” we propose to undertake a whole land approach which seeks to optimise the use of our wider natural assets in striving to meet our climate change targets while benefiting and empowering rural communities as a whole we propose:

1. To make provision under the new Agriculture Bill to continue to provide the support to land-managers and communities who are undertaking and supporting economic activity related to land management including but not limited to agriculture.
2. To enable Scotland to continue providing support for rural development – collaborative, partnership working; capacity building; support for innovation and engagement in local and policy development – we propose the new Agriculture Bill should provide Scottish Minister’s powers and other mechanisms to allow:
  - Activity in and financial support for rural development and the rural economy generally.
  - Activity related to the delivery of community led-local development to enable delivery of the principles identified above.
  - Activity in and financial support for collaboration and the sharing of information, ideas and good practice.
  - Activity in and financial support for innovation in agriculture, food production, forestry, and land management.
  - Activity in and financial support for farmers, land managers, rural and island communities and stakeholders to influence policy developments.
  - Activity in and financial support for public access and the understanding of land use.

- a) Do you agree that the proposals outlined above should be included in the new Agriculture Bill?

Yes

Please give reasons for your answer.

The Scottish Community Alliance considers that support for wider rural development is an essential components of the new Agriculture Bill and that rural development, especially through a LEADER/CLLD programme, should attract a much higher share of the funding than has been the case in the past.

Community-led Local Development (CLLD) gives local communities the power to tackle their own, local challenges; creating viable and resilient communities by building knowledge and skills, supporting new ideas and encouraging cooperation. CLLD has been delivered through the former LEADER programme for nearly 30 years, with funding decisions made locally by Local Action Groups (LAGs) to projects that helped deliver Local Development Strategies. LEADER has a well-evidenced legacy of successful delivery including projects to:

- drive community action on climate change
- enhance rural services and facilities, including transport initiatives
- enhance natural/cultural heritage, tourism and leisure
- support food and drink initiatives (for example short supply chains, community food)
- build co-operation and share knowledge with other LAGs in Scotland, UK and Europe

Since the closure of the LEADER programme the Scottish Government has made short term funding allocations through the Rural Communities Testing Change Fund and the Rural Communities Ideas into Action. Despite significant time and eligibility constraints these programmes have been greatly over-subscribed, demonstrating considerable unmet demand.

A future LEADER/CLLD programme should have the following characteristics

- A significantly larger budget allocation than previous years, with potential to fund multi-year projects;
- Devolution of decision making and project management to Local Action Groups, in keeping with the “local-led” ethos of CLLD;
- Removal of the excessively bureaucratic Scottish Government reporting requirements which have been a feature of previous programmes.

b) Are there other areas relating to non-agricultural land management such as forestry that you would like considered for support under the Agriculture Bill to help deliver integrated land management and the products produced from it?

Yes

Please give reasons for your answer.

We agree that woodland creation and forest management should be supported through the bill, however there are a number of ways in which this support could be amended to improve public value for money (the upcoming Forestry Grant Scheme review provides an opportunity to make these changes):

- There should be a better balance of funding between woodland creation (which takes ~85% of the budget) and woodland management. Existing woodlands represent very significant carbon stores (both in standing timber and in woodland soils) and there is considerable scope to support improved forest practice to enhance carbon storage and deliver a wide range of environmental and social benefits.

- The current FGS does not adequately account for economies of scale in woodland creation: there is some grant reduction in grant rates for the very largest schemes but no capping or means testing, so the largest /wealthiest recipients have the most profitable schemes.
- The scheme bureaucracy may discourage smaller woodland creation projects (although nearly 60% schemes are <20ha) which are more likely to be undertaken by smaller landholdings and/or deliver integrated land use.
- The scheme does not adequately incentivise diversity, either within specific landholdings or at a regional level, leading to huge regional disparities (in S Scotland new planting is dominated by Sitka spruce, whereas in the Highlands there is almost no woodland creation for timber).
- The balance of grant rates does not adequately incentivise the types of woodland that would deliver the greatest levels of public benefit (productive broadleaves, diverse conifers): the great majority of applications are for the “lowest common denominator” options of conifer and native broadleaves.

It is unclear which component(s) of the current FGS support “community development and wealth building”, but we agree that this should be a focus of support in any future programme.

- c) What other powers may be required to enable rural development in Scotland’s rural and island communities?

This is not a Yes/No question

Please give reasons for your answer.

More local decision making and priority setting would enhance rural development in Scotland’s rural and island communities.

One key way to do this is to give Local Action Groups genuine control over LEADER/CLLD programmes, but there is potential to introduce more local influence in other elements of future agriculture funding.

Other powers which could enable wider rural development (and the climate change and biodiversity objectives of the bill) might include:

- Planning powers to support new low impact housing for new entrants
- Powers to support development of a thriving glasshouse sector including the power for local electricity pricing (or pricing of heat from groundwater)
- Powers to require landowners to maintain deer numbers at science-based levels to allow woodland regeneration
- Powers to require land managers to remediate peatland or exclude stock from peatland/areas at risk of erosion
- Powers to create crofting tenancies outside the crofting counties, including woodland crofts.

- d) What potential social, economic or other impacts, either positive or negative, would such powers have on Scotland’s rural and island communities?

This is not a Yes/No question

Please give reasons for your answer.

## **Animal Health and Welfare**

- a) Do you agree that the new Agriculture Bill should include powers to establish minimum

standards for animal health, welfare as a condition of receiving payments?

Yes

Please give reasons for your answer.

Meeting minimum standards for animal health and welfare, which should include membership of quality assurance schemes should be a condition of receiving payments.

All farmers/crofters who keep livestock should have an animal health and welfare plan agreed with their vet and reviewed annually as part of their whole farm plan. Antibiotic use per kg meat/milk should be required to be under a level set by the Chief Veterinary Officer.

There must be significant consequences for failure to meet these standards; No farmer/crofter should receive base payments if:

- They have been found in breach of animal welfare standards (minimum exclusion period of say 2 years)
- Their livestock have no access to pasture during their lifetime
- Housed stocking densities exceed science-based levels (except in an emergency)

b) Do you agree that the new Agriculture Bill should include powers to make payments to support improvements in animal health, welfare and biosecurity beyond legal minimum standards?

Yes (but)

Please give reasons for your answer.

We agree, but consider that much of the improvement needed in animal health, welfare and biosecurity should be achieved through regulation, advice and training,

c) Do you agree that the new Agriculture Bill should include powers to collect and share livestock health, welfare and biosecurity data?

Yes

Please give reasons for your answer.

This is essential for disease surveillance and control and for benchmarking.

## **Plant Genetic Resources and Plant Health**

a) Do you agree that Scottish Ministers should have powers to provide support for the conservation of Plant Genetic Resources, including plants developed and grown for agricultural, horticultural or forestry purposes and their wild relatives?

Yes

Please give reasons for your answer.

Genetic diversity in crops is essential for resilience. We agree that Scottish Ministers should have powers to support for the conservation of Plant Genetic Resources and agree that should include support for community seed banks.

Local provenance remains an important consideration for native woodland creation schemes. In addition, native tree nurseries offer a viable approach to small scale rural development.

b) Do you agree that Scottish Minister should have the power to provide support to protect and

improve plant health?

Yes

Please give reasons for your answer.

Plant breeding and the varieties we grow play a crucial role in sustainable agricultural systems. We will need new resilient and thrifty plant varieties to achieve a more sustainable and resilient agriculture.

New tree pests and diseases introduced into the UK are one of the biggest threats to new and existing woodlands. Plant health must be a focus of Scottish Government, through improved biosecurity, and support for investment in locally grown and sourced trees.

## **Skills, Knowledge Transfer and Innovation**

### **Proposal:**

To deliver the Vision; “identify and develop the skills needed for regenerative and sustainable farming, changes of land use and adaptation to the changing climate”; “encourage co-operative approaches to optimise collaboration and knowledge exchange”; enable “more new and young entrants into farming” and “create a diverse, flourishing industry” we propose:

- 1) It is proposed that the new Agricultural Bill continues to provide the full panoply of support for knowledge transfer, innovation and skills development within the agricultural, crofting and land management sectors and that future support mechanisms are designed in such a way that they meet emergent needs and remain flexible/adaptable to future pressures for change.
- 2) It is proposed that the new Agriculture Bill provides Scottish Ministers with the power to establish a national reserve, and regional reserves if/when required, to ensure the equal treatment of farmers and to avoid distortions of the market and of competition.

a) Do you agree that support should continue to be provided in this area?

Yes

Please give reasons for your answer.

We consider that knowledge transfer, innovation and skills development across land management sectors is crucial to tackling climate change, and developing a more inclusive industry.

A change of culture is needed in the farm advisory sector to focus on delivering climate and nature outcomes and developing more sustainable farming methods and systems.

b) Is there any particular gaps in delivery that you can identify?

Yes

Please give reasons for your answer.

Support for Skills, Knowledge Transfer and Innovation should cover all land management sectors, not just agriculture.

Current funding (through the 2014-20 Rural Development Programme) is narrowly focused on existing farm businesses following the late decision to exclude other sectors (e.g. woodland management) which had been supported in the previous SRDP round.

c) Are there any alternative approaches that might deliver better results?

Yes

Please give reasons for your answer.

As above, all land management sectors should be included in the scope of Skills, Knowledge Transfer and Innovation funding. This should include woodland management, organic farming, market gardening and horticulture.

d) Do you have any ideas as to how engagement/participation in advisory services, knowledge transfer or skills development might be improved?

Yes

Please give reasons for your answer.

Inclusion of all land management sectors and a greater focus on community-led projects would improve engagement/participation in advisory services, knowledge transfer and skills development.

e) Do you agree that Scottish Ministers should have the power to establish a national reserve and regional reserve if/when required to ensure the equal treatment of farmers and to avoid distortions of the market and of competition?

No

Please give reasons for your answer.

The national reserve appears to exist to address issues arising from the design of the basic payments scheme: it would clearly be preferable to design the basic payments scheme to obviate the need for such additional funding.

### **Administration, Control, and Transparency of Payment Framework Data**

a) Do you agree that Scottish Ministers should have the power to create a system that provides for an integrated database, to collect information in relation to applications, declarations and commitments made by beneficiaries of rural support?

Yes

Please give reasons for your answer.

An integrated database for such information would seem essential for effective delivery of the programme. However, we note that the focus of the proposal appears to be the bureaucratic requirements of any scheme, not on-the-ground delivery.

In the interests of transparency and accountability, the system should include reporting by beneficiaries on how grants and loans have been used. Data on how much businesses receive should continue to be in the public domain.

b) Do you agree that Scottish Ministers should have the power to create a system that collects and shares information for the purposes of carrying out management, control, audit and monitoring and evaluation obligations and for statistical purposes, subject to General Data Protection Regulation (GDPR) requirements?

Yes

Please give reasons for your answer.

This is an essential requirement of an effective system.

c) Do you agree that Scottish Ministers should have the power to share information where there is a public interest in doing so, and subject to complying with the General Data Protection Regulation GDPR.

Yes

Please give reasons for your answer.

Given that these are public funds, the default position should be that there is a public interest in sharing information unless there is a good (and specific) reason not to do so.

d) Do you agree that Scottish Ministers should have the power to create a system that provides a mechanism that aligns with the principles of the Scottish Public Finance Manual (SPFM) that ensures proper handling, reporting, and recovery, where proportionate, of public funds, the need for economy, efficiency and effectiveness, and promote good practice and high standards of propriety?

Yes

Please give reasons for your answer.

This is an essential requirement of an effective management system

e) Do you agree that Scottish Ministers should have the power to create a system that provides the data required to undertake administrative checks on applications / claims made by beneficiaries for rural support?

Yes

Please give reasons for your answer.

This is an essential requirement of an effective management system

f) Do you agree that Scottish Ministers should have the power to create a system whereby on-the-spot-checks should be undertaken to further verify applications / claims made by beneficiaries for rural support?

Yes

Please give reasons for your answer.

This is an essential requirement of an effective management system. To be meaningful, the number of such on-the-spot-checks that are undertaken should be greatly increased, so that all recipients believe that a check is likely, rather than very unlikely, as is now the case.

Monitoring must be backed by meaningful sanctions for non-compliance: as the 61 recorded GAEC breaches in 2021 generated just £41,000 in penalties it is clear that the current system offers no deterrent to bad practice.

g) Do you agree that Scottish Ministers should have the power to create a system that would provide for cross compliance, conditionality that covers essential standards in relation to sustainable environment, climate, Good Agricultural and Environmental Condition (GAEC), land, public and animal health, plant health and animal welfare, Soil health, carbon capture and maintenance?

Yes

Please give reasons for your answer.

As above, monitoring is essential to ensure best value for public money and effective implementation of conditionality. GAEC should be both strengthened (for example to require restoration of degraded peatland) and more effectively enforced.

h) Do you agree that Scottish Ministers should have the power to create a system that provides a mechanism to support the delivery of practices aligned to receipt of elective payments, for targeted outcomes?

Yes

Please give reasons for your answer.

i) Do you believe that Scottish Ministers should have the power to monitor and evaluate outcomes to ensure they meet the agreed purpose and help better inform future policy?

Yes

Please give reasons for your answer.

j) Do you believe that Scottish Ministers should have the power to seek independent assurance that outcomes are delivered appropriately?

Yes

Please give reasons for your answer.

Independent assurance of outcomes is essential to ensure public confidence that funding is delivering the promised outcomes, and should be built into all schemes, especially basic payments (the proposed Tiers 1 & 2).

There should also be a mechanism for stakeholder oversight of programme delivery (similar to the role performed by the Rural Development Operational Committee for the Scottish Rural Development Programme).

k) Do you agree that Scottish Ministers should have the power to enable the publication of details pertaining to recipients who receive payments including under the future payment model (outlined above) and set a level above which payment details will be published?

Yes

Please give reasons for your answer.

Transparency is an essential component of any future subsidy / grant programme.

We note that under the current system the names of beneficiaries who receive less than €1,250 in total subsidy are withheld and replaced by a code number. We consider this broadly appropriate and would suggest a future threshold of £1,000.

l) Do you agree that technical fixes should be made to the Agriculture and Retained EU Law and Data (Scotland) Act 2020 to ensure Scottish Ministers have all requisite powers to allow CAP legacy schemes and retained EU law to continue to operate and be monitored and regulated and also to ensure Scottish Ministers have flexibility to better respond to current, post exit, circumstances?

Yes

Please give reasons for your answer.

We agree that necessary fixes should be made to support short-term continuity issues but this should not be a pretext for delaying the introduction of a radical new framework. The existing CAP legacy schemes do not, in aggregate, contribute to tackling the climate and biodiversity crises and in many respects are responsible for exacerbating them.

### **Modernising Agricultural Tenancies**

a) Do you agree that Scottish Ministers should have a power to be able to determine what is an acceptable diversification?

Yes

Please give reasons for your answer.

Tenant farmers should have the same opportunities to take action on their holdings to mitigate climate change and improve biodiversity as other farmers, e.g. with respect to woodland creation.

b) Do you think that if this power is given to Scottish Ministers that the Tenant Farming Commissioner should have the ability to issue guidance to assist tenant farmers and landlords understand this.

Yes

### **Waygo and Schedule 5 of the Agricultural Holdings (Scotland) Act 1991**

a) Do you agree that Scottish Ministers should add new activities and items onto Schedule 5 of the Agricultural Holdings (Scotland) Act 1991; to enable tenant farmers to support biodiversity and undertake climate change mitigation and adaption activity on their tenant farms?

Yes

Please give reasons for your answer.

b) Do you agree that Scottish Ministers should have a power to amend Schedule 5 of the Agricultural Holdings (Scotland) Act 1991 by secondary legislation to enable Schedule 5 to be changed to meet the future challenges?

Yes

Please give reasons for your answer.

c) If you do not agree that Scottish Ministers should have the ability to vary the activities and associated items listed on Schedule 5 of the Agricultural Holdings (Scotland) Act 1991 please explain why, including any alternative approach you have to address this issue.

Please give reasons and alternatives.

d) Do you agree that when an agricultural tenancy comes to an end a tenant farmer should have certainty about the timescale by when they will receive any money due to them, and their landlord should also have a similar certainty?

Yes

Please give reasons for your answer.

### **Amendment to rules of good husbandry and good estate management**

a) Do you agree that the Scottish Ministers should be able to amend the rules of good husbandry and good estate management defined in the Agricultural Holdings (Scotland) Act 1948 to enable tenant farmers and their landlords to be able meet future global challenges?

Yes

Please give reasons for your answer.

### **Rent reviews**

a) Do you agree that adaptability and negotiation in rent calculations are required to meet the global challenges of the future? Please explain why.

Yes

Please give reasons for your answer.

b) Are there any other relevant considerations that should be included in part of a rent review? Please explain why including any practical examples.

Don't know

Please give reasons for your answer.

### **Resumption**

a) Do you consider that Scottish Ministers should amend the resumption provisions on compensation for disturbance to include a new valuation formula? And if you agree with this proposal, what do consider to be the appropriate method of valuation?

Don't know

Please give reasons for your answer.

### **Scottish Agricultural Wages (Fair Work)**

a) Do you agree that Fair Work conditions, including the real Living Wage, should be applied to all Scottish agricultural workers?

Yes

Please give reasons for your answer.

We welcome the commitment of Scottish Government to the real Living Wage as an important step in tackling poverty and note that Fair Work First conditions are routinely applied to public sector funding and contracts; we see no reason why this should not be case for agricultural businesses in receipt of public funds.

b) What do you consider the implications would be on individual businesses and the Agricultural sector more broadly, if the minimum wage for agricultural workers was to align with the real Living Wage?

## This isn't a Yes/No question

Please give reasons for your answer.

As above, we see no justification for not aligning the minimum wage for agricultural workers with the real Living Wage.

### Chapter 4: Assessing the Impact

a) Are you aware of any potential costs and burdens that you think may arise as a result of the proposals within this consultation?

Please give reasons for your answer.

b) Are you aware of any examples of potential impacts, either positive or negative, that you consider that any of the proposals in this consultation may have on the environment?

Please give reasons for your answer

c) Are you aware of any examples of particular current or future impacts, positive or negative, on young people, of any aspect of the proposals in this consultation? Could any improvements be made?

Please give reasons for your answer.

d) Are you aware of any impacts, positive or negative, of the proposals in this consultation on data protection or privacy?

Please give reasons for your answer.

e) Are you aware of any examples of how the proposals in this consultation may impact, either positively or negatively, on those with protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation)?

Please give reasons for your answer.

f) Are you aware of any examples of how the proposals in this consultation might have particular positive or negative impacts on groups or areas experiencing socioeconomic disadvantage? These could be households with low incomes or few resources; families struggling to make ends meet; people who experienced poverty while growing up; or areas with few resources or opportunities compared with others.

Please give reasons for your answer.

g) Are you aware of any examples of how the proposals in this consultation might impact, positively or negatively, on island communities in a way that is different from the impact on mainland areas?

Please give reasons for your answer.