Response to the Scottish Affairs Committee inquiry on the future of Scottish agriculture post-Brexit

by the Scottish Environment LINK Food and Farming Subgroup

Scottish Environment LINK is the forum for Scotland’s voluntary environment community, with over 35 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society.

Its member bodies represent a wide community of environmental interest, sharing the common goal of contributing to a more sustainable society. LINK provides a forum for these organizations, enabling informed debate, assisting co-operation within the voluntary sector, and acting as a strong voice for the environment.

LINK members welcome the opportunity to comment on this inquiry:

1. What should be the priorities of any future agricultural support system in Scotland? Are the needs of the agricultural sector in Scotland different from the rest of the UK?

We believe we need to build priorities for a future agricultural support system and wider rural development policy in line with LINK’s vision for a thriving countryside where:

- all land managers help to enhance landscapes and biodiversity and where a clean, healthy and wildlife rich environment is regarded both as an asset to society and essential for underpinning economic activity such as farming and forestry;
- land is adaptable and resilient to climate change, and is used and managed in ways that contribute to climate change mitigation and adaptation more broadly;
- people live, and work and rural communities are sustained, with opportunities for young people to work and manage the land, and where new entrants to traditional sectors are encouraged and supported;
- a broad range of land use and rural business activities offer good livelihoods and employment opportunities. Those who manage the land secure a fair return from it, whether producing traditional products such as food and timber or delivering public goods;
- food production is part of a fair, healthy and sustainable food system, from farm to fork, and plays its part in becoming a Good Food Nation;
- the full range of ecosystem services land provides are recognised and valued for their contribution to our economy and to society;
- land is used and managed in more integrated ways to deliver multiple outputs and benefits wherever possible.

It is important to recognise the contribution that the land and natural resources make to the economy. The gross value added (GVA) from the food and drink sectors was £5.3 billion in 2014 (Scottish
Government, 2017); the agricultural sector employs 63,400 people (Scottish Government, 2016a), and the total income from farming was £749 million. GVA from the forestry sector, including both forestry and timber products as well as forest recreation and tourism amounts to £954 million, and the forestry sector provides 25,000 full time equivalent jobs (Forestry Commission Scotland, 2015). Last but certainly not least, Scotland’s iconic landscapes contribute to a thriving nature-based tourism sector worth £1.4 billion and provide 39,000 full-time equivalent job (Scottish Natural Heritage, 2010). Much of this economic activity is underpinned by our natural resources, and depends on their continued existence into the future.

In our view, achieving this vision demands we take a different approach to rural land use and management than has been facilitated by the CAP to date. Our future system should have as a starting principle the notion that public money should be invested for public goods. This is in line with the views of a majority of Scots, in line with the results of a survey conducted by Survation on behalf of Scottish Environment LINK. More specifically, 77% of respondents would like to see farm support be conditional to land managers showing that they are supporting wildlife and are reducing climate impacts.

While a lot of the challenges facing our environment, and indeed our farmed environment, are common across the UK, it is important that the solutions are tailored to the specific geographic and environmental circumstances. For example, 40% of Scotland has been identified as High Nature Value farmland. This is where traditional farming and crofting methods – primarily livestock production – have created a rich diversity of wildlife habitats, home to corncrakes, corn buntings, and great yellow bumblebees, to name just a few species. As such, future agriculture policy in Scotland needs to be adapted to ensure it delivers for this.

2. What funding will Scotland’s agricultural sector require post-Brexit? What should future agricultural support in Scotland look like, and what goals should it seek to achieve?

Scottish Environment LINK members believe that funding should be kept at minimum at the same rate as under the CAP and our members have proposed 10 principles for developing a Scottish agricultural support system. Those are detailed here: http://www.scotlink.org/wp/files/documents/10-principles-for-future-land-management-support-in-Scotland_finaldraft.pdf.

Our vision for the future is one that encompasses all rural land use activities but we acknowledge the central role that farming and crofting plays, given how much land it occupies and its interaction with our environment. At the heart of our proposals is a desire for a renewed role for farming, one which very many farmers and crofters would recognise but which policy and other factors have failed to adequately reward or worse, led them away from. This is the role of land stewards; managers of our natural resources and suppliers of all the goods and services land can provide to wider society, from healthy food to clean water and a beautiful, wildlife rich countryside. We now have the chance for policy to re-energise farmers and crofters in the pursuit of this role and to encourage all land managers to see themselves similarly.

Therefore, what needs to happen is a fundamental shift in how this funding is distributed towards an approach that reflects the need for public money to be spent for public goods. It is by following such an approach that we will be able to tackle environmental but also wider rural challenges which the CAP has consistently brought to the fore. These challenges include:
• how to ensure the viability of farming and crofting in Scotland in the face of economic challenges, especially in upland and more marginal farming and crofting areas, and how to help farms, crofts and other rural businesses adapt and become more resilient;
• preventing environmental damage and ensuring that farming, crofting, forestry and other rural land use make a positive contribution to the management of our natural resources, helping to combat climate change, halt the loss of biodiversity, improve water quality, maintain attractive landscapes and deliver other environmental outcomes;
• how to maintain prosperous rural communities and prevent decline, and ensure our rural areas are good places for people to live and work and offer opportunities for young people.

The concept of public goods is a way of describing the environmental and social goods and services provided by agriculture and forestry that are not rewarded through the market. Maintaining or encouraging their production therefore needs supporting, through financial incentives or other mechanisms. The main environmental public goods that are provided by agriculture are farmland biodiversity, cultural landscapes, high quality water, air and soil, a stable climate and resilience to flooding. Paying for public goods delivers the outcomes society demands whilst supporting farming, crofting, forestry and other land management activities in the process. In very many cases, these outcomes can only be achieved through the continuation of such activities.

We believe a large share of any rural support budget should be focused on ‘public money for public goods’ but we also recognise that much more needs to be done to help farming, crofting, forestry and other rural businesses adapt and develop, improve business efficiency and explore market opportunities and to support new entrants. These can be thought of broadly as ‘investments to facilitate change’. A third component of public funding must be ‘investments in supporting activities’ including research, knowledge transfer, advice and training (see responses to Question 5).

Delivering public goods requires appropriate land management across rural Scotland. This could be achieved in a number of ways, including through, for example:
• Sustainable land management payments – available to all land managers (farmers, crofters, foresters, estates, communities, NGOs etc) to pay for good land stewardship, with options relevant to different land use activities and locations. Requirements would be above and beyond baseline regulatory requirements and would aim to protect soil, air and water resources, reduce GHG emissions, maintain wildlife habitats and landscapes.
• Support for specific types of farming that benefit the environment – including payments to support organic and other agro-ecological farming systems (based on the known benefits they provide) and to support the continuation of High Nature Value farming, crofting and forestry, especially in the uplands and more marginal farming areas.
• Support for collaboration – to encourage groups of land managers to work together at landscape or catchment scale to deliver specific outcomes e.g. for priority species or to improve water quality, and to support projects facilitating collaborative approaches. Co-operation between producers for activities such as processing and marketing should also be encouraged.

The basis for any new support system should take as a pre-condition the effective implementation of existing legislation.
3. How should a future agricultural policy seek to accommodate different sectors of the farming community, especially those in remote and less favoured areas, and crofters?

A future agricultural policy based on a public money for public goods approach would enhance the livelihoods of the parts of the farming community that are in less favoured areas, including crofters. This is because most of this land is considered High Nature Farmland. This means that those cultivating the land can also produce a number of crucial ecosystem services, which are important public goods; under such a new policy, those land managers would be rewarded for doing so in addition to being able to pursue agricultural activities.

4. What should be included in common frameworks between the UK and devolved administrations in relation to agriculture? What balance should it strike between having a common UK-wide approach and providing flexibility to Scotland's needs?

Scottish Environment LINK members have not considered a definitive list of what should be included in common frameworks. There are some areas where a common approach would be helpful, for example animal health or welfare standards. However, what is imperative is that there is a joint understanding and common ambition to ensure that our natural environment is protected and enhanced so that rural communities can continue to thrive. This ambition can then be rendered operational through a variety of ways. If common frameworks are pursued, then these should be developed jointly and through a commonly agreed process.

What is needed is a transparent and open process for developing frameworks, and one which involves stakeholder consultation and input.

5. What role can innovation & technology have in improving productivity in Scottish agriculture?

We need a sector that is fit for the challenges and demands of the 21st century. Innovation and technology will be important not just in terms of productivity, but also to ensure that agricultural activities minimize their environmental footprint.

Payments for public goods could provide a solid revenue stream for many land management businesses, alongside market returns and other sources of income. But, we also see a need for public investment to support the adaptation and development of such businesses and encourage wider rural development. This could take the form of one-off capital investments and grants. Such investments could be to help improve environmental performance, support diversification and develop new income streams or improve business efficiency, for example. Funding could be available for purchasing machinery, IT or physical infrastructure, amongst other things, where this offers good value for public money. There may also be scope for other financial mechanisms such as loans and tax breaks to play a role here.

Innovation and technology need to go hand in hand with greater emphasis on supporting activities including knowledge transfer, advice and training. This should build on the significant investment of public funds in agricultural, forest and other land use research and do more to ensure the results of this reaches those who could benefit most from it. Low levels of formal education and training in the land use sectors need to be addressed.
We see a particular need to strengthen knowledge transfer, advice and training with respect to farming and the environment. Funding for knowledge transfer programmes that can bring together land managers, researchers, specialists, and policy makers must continue. Such programmes must have an emphasis on sustainable farm practices rooted in agroecological principles that contribute to climate change mitigation, reductions in diffuse pollution, and reverse biodiversity decline. Whilst there are a number of existing mechanisms and initiatives designed to provide information and advice to farmers, too few have an explicit environmental remit. The Farming for a Better Climate initiative is one positive example but the number of farmers reached by it is small.

Monitor Farms have also proved a successful mechanism for knowledge exchange but again, reach a relatively small proportion of the farming population and, to date, have been limited in terms of the environmental issues they explore. Where environmental issues have been considered these have tended to be in relation to climate change and renewable energy with little focus on biodiversity or water quality. Existing measures for knowledge transfer and advice under the current Scotland Rural Development Programme may help to address the environmental challenge but more is likely to be needed in future if faster progress is to be made.

Currently only 27% of farmers in Scotland have any formal agricultural training (Scottish Government, 2015). This seems very low for a sector that needs increasingly to embrace innovation and new technologies, be more market orientated and adopt greener farming methods. Much higher rates are likely to be required if the sector as a whole is to undergo transformational change. It is also vital that land management courses at Further and Higher Education level include environmental content and promote agroecological principles within all modules rather than as optional dedicated modules. Continuing Professional Development should become the norm for those working in the farming and land use sectors and be a requirement for receiving public money.

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