Delivering our Vision for Scottish Agriculture

Proposals for a new Agriculture Bill



Contents

New Agriculture Bill Consultation

Ministe	erial Foreword	2
Chapt	er 1: Introduction	3
Chapt	er 2: Wider Context and Alignment	5
Chapt	er 3: Proposals for Inclusion in the New Agriculture Bill	9
Α.	Future Payment Framework	10
В.	Delivery of Key Outcomes	17
С	limate Change Adaptation and Mitigation	17
N	ature Protection and Restoration	21
н	igh Quality Food Production	23
v	/ider Rural Development	27
C.	Skills, Knowledge Transfer and Innovation	
D.	Administration, Control, and Transparency of Payment Framework Data	36
Ε.	Modernising Agricultural Tenancies	41
F.	Scottish Agricultural Wages (Fair Work)	48
Chapte	er 4: Assessing the Impact	50
Annex	Α	52
Annex	В	53

Ministerial Foreword



The Scottish Government is committed to realising our Vision for Agriculture and transforming how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture.

I would like to thank the Agricultural Reform Implementation Oversight Board (ARIOB) in supporting and informing the development of this consultation on the proposals for a new Agriculture Bill. Since our first meeting the ARIOB has proved to be invaluable in informing our clear commitment to support farmers and crofters to produce our food more sustainably while ensuring that agriculture plays its part in cutting emissions, mitigating climate change and restoring and enhancing nature.

Recent years have seen a series of global shocks that have had, and are continuing to have, an impact on global food security. These include EU-exit impacts, the COVID-19 pandemic and, most recently, the illegal invasion of Ukraine which is having an undeniable impact on global agriculture and upon all aspects of our domestic food and drink supply chain. This has highlighted the requirement for the new Agriculture Bill to be adaptive in supporting farmers, crofter and land managers in the near, medium and long term future and the proposals outlined below reflect this.

While we deal with the short-term challenges, we need to keep an eye to the longterm and the action needed now to ensure we have a healthy environment and thriving communities for years to come. We are committed to tackling the climate and biodiversity crises and reaching Net Zero by 2045. Our agricultural sector has an indispensable role to play as we address these challenges and we will continue to support these efforts.

Scotland's farmers, crofters and land-managers are vital to our ambition to make our nation fairer and greener. We should not shy away from being clear that we are on a journey of significant transformation. I urge everyone to take the opportunity to share your views and engage with this process, and please encourage everyone you know to take part as well. I know many of you will have contributed to the Agricultural transition consultation we ran previously, and this consultation builds on those responses. Your responses to this consultation will give us tremendous insight into how best to realise our Vision for Agriculture in a way that works for our rural communities.

Mairi Gougeon Cabinet Secretary for Rural Affairs and Islands

Chapter 1: Introduction

The Scottish Government's <u>Vision for Agriculture</u>, published in March 2022, outlines our long term vision to transform how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture. This consultation seeks views on the proposals and powers that the Scottish Ministers require to make this vision become a reality.

After the UK withdrawal from the EU on 31 January 2020, our priority for agriculture and rural development was to provide stability and security for producers, land managers, and business. In 2020, legislation was enacted¹ to allow the Scottish Ministers to ensure that EU CAP (Common Agricultural Policy) payments and schemes would continue for a period of stability and simplicity after EU-exit.

The new Agriculture Bill will aim to provide Scotland with a framework to support and work with farmers and crofters to meet more of our food needs sustainably and to farm and croft with nature. To ensure that Scotland's people are able to live and work sustainably on our land, this framework will deliver high quality food production, climate mitigation and adaptation, nature protection and restoration, and wider rural development. This consultation also includes proposals to modernise agricultural holdings and Scottish agricultural wages whilst seeking to compliment the forthcoming Bills relating to land and the environment. The new Agriculture Bill must therefore provide the legal framework to deliver:

- The Scottish Government's Vision for Agriculture;
- The National Performance Framework outcomes;
- <u>Programme for Government</u> and Bute House <u>draft shared policy</u> <u>programme</u> priorities;
- Emissions and nature restoration targets;
- Building on minimum regulatory standards;
- <u>Just Transition</u> which supports agriculture, land integration and land use change in a way that follows the Just Transition principles;
- Value for money; and
- Broad alignment to EU CAP objectives.

Our Vision for Agriculture makes the following commitment:

"We will transform how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture. This commitment will sit at the heart of a robust and coherent framework to underpin Scotland's future agriculture support regime from 2025 onwards. Scotland will have a support framework that delivers high quality food production, climate mitigation and adaptation, and nature restoration."

As set out in the Environment Strategy for Scotland, the Scottish Government is committed to addressing the twin crises of climate change and biodiversity loss: to create a fairer and greener Scotland. Scottish agriculture and associated land use will play a key role in tackling the twin crises. The Climate Change (Emissions

¹ The Agriculture (Retained EU Law and Data) (Scotland) Act 2020 (asp 17).

Reductions Targets) (Scotland) Act 2019 created an obligation to reach net zero emissions across the economy as a whole by 2045 in a 'just way', and Scotland continues to draw on the independent advice of the Just Transition Commission in support of this.

Land management in Scotland will change as we tackle the twin climate and biodiversity crises, which will present challenges and opportunities. To ensure a just transition for agriculture and associated land use we will continue to support communities and encourage a co-operative approach to optimise collaboration and knowledge exchange. We will continue to support our farmers, crofters, land managers, and members of the agriculture supply chain to improve business resilience, efficiency and productivity, including through adoption and deployment of technology and innovation.

The proposals seek to deliver the aims and commitments outlined above whilst achieving coherence within the wider legislative and environmental context detailed in the following chapter.

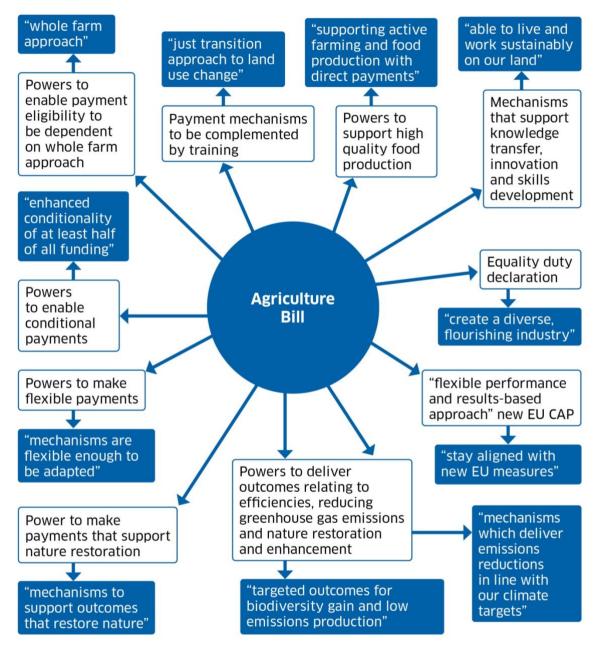
Chapter 2: Wider Context and Alignment

"where this fits in"

Vision Context

On the 2nd March 2022, the Scottish Government published the <u>Vision for</u> <u>Agriculture</u>. This consultation paper seeks views on a range of proposals which aim to support the values and principles contained in the Vision.

Figure 1: Sample of Proposals for Inclusion into the New Agriculture Bill Aligned to the Vision's Values and Principles.



11 Vision values and principles

Bill Powers and provisions

Legislative Context

Agriculture as such is devolved, and therefore is the responsibility of the Scottish Ministers. However, we do not operate in a vacuum and in the consideration of future policy it is important to be mindful of the wider context in which we sit. The Scottish Parliament has powers to pass legislation on agriculture, but the UK has (and can) enact legislation on reserve matters which affect how we deal with agriculture, such as the UK Internal Market Act 2020 and the subsequent Subsidy Control Act 2022. The new Agriculture Bill must provide the flexibility to ensure we can work within UK frameworks, and react to further changes while delivering the necessary reforms.

Future policy proposals must also be considered against a wider international context of membership, as part of the UK, of organisations such as the World Trade Organisation (WTO). We are for example under a duty to comply with the WTO Agreement on Agriculture, which sets out rules for domestic support.

It is also Scottish Government policy to ensure broad alignment to EU CAP objectives. The new EU CAP will be "<u>based on a more flexible performance and</u> <u>results-based approach</u>." The new Agriculture Bill will likewise focus on creating a flexible approach which will allow Scotland to adapt to changing social, economic, and environmental conditions.

The new EU CAP will support European agriculture to contribute to the ambitions contained in the European Green Deal. This will emphasise actions in pursuit of achieving environmental and climate ambitions whilst contributing to the <u>Green Deal</u> targets. It will also be a key tool in reaching the ambitions of the <u>Farm to</u> Fork and <u>biodiversity</u> strategies. The new Agriculture Bill similarly will contribute to wider ambitions such as the <u>obligation to reach net zero emissions across the</u> economy as a whole by 2045.

The new EU CAP is structured around <u>ten specific objectives</u> which are linked to common EU goals for social, environmental, and economic sustainability in agriculture and rural areas, and form the basis upon which EU countries design their CAP strategic plans. The proposals within this consultation are intended to ensure correlation to the 10 objectives (**ANNEX A**), which are:

- to ensure a fair income for farmers;
- to increase competitiveness;
- to improve the position of farmers in the food chain;
- climate change action;
- environmental care;
- preserve landscapes and biodiversity;
- support generational renewal;
- vibrant rural areas;
- protect food and health quality; and
- fostering knowledge and innovation.

The Agriculture Bill also fits into a wider legislative programme during this parliament including linked legislation of the:

- Good Food Nation Bill (recently passed);
- Land Reform Bill;
- Nature Environment Bill; and
- Crofting Bill.

The government is working to ensure the legislative programme is taken together as a coherent whole in order to drive forward our ambitions for the land, and the communities who depend on it.

Climate and Environmental Context

The industry has played a key role in deliberating on and proposing change. We know that many farmers, crofters and land managers are already farming more sustainably, adopting regenerative agriculture principles and approaches, and using tools such as carbon audits and soil testing to inform practice change.

Agriculture and food production affect the environment and consequently there will be a degree of greenhouse gas emission. However, to meet its envelope under the updated Climate Change Plan agriculture needs to, with urgency, reduce its emissions by 31% from 2019 levels by 2032. Agriculture also has an essential role to play in tackling twin emergencies facing our climate and biodiversity but also in supporting progress to the Land Use, Land Use Change and Forestry emissions envelope.

The Climate Change Committee's 2021 Progress report to the Scottish Parliament on reducing emissions in Scotland has a number of recommendations for agriculture and land use, land use change and forestry, including:

"Ensure options for future agriculture and land use support through the proposed Bill to replace the current Common Agricultural Policy in 2023 provide a framework to deliver climate mitigation and adaptation as well as wider environmental objectives. This should cover support for measures to reduce onfarm emissions and strategic land use change away from traditional agriculture to reduce and sequester carbon."

The recently updated (January 2022) statutory UK Climate Change Risk Assessment identifies several risk areas where locked in-impacts of climate change are likely to be detrimental to agriculture in Scotland, unless further action is taken to manage these through adaptation actions:

- Risks to soil health from increased flooding and drought.
- Risks to agriculture from pests, pathogens and invasive species
- Risks to crops, livestock and commercial trees from multiple hazards
- Risks to natural carbon stores and sequestration from multiple hazards leading to increased emissions
- Risks to supply of food, goods and vital services due to climate-related collapse of supply chains and distribution networks

The climate and nature crises are intrinsically linked – restoring biodiversity and rebuilding our natural capital will play an essential role in reaching net zero and helping land to adapt to climate change. The new Agriculture Bill will enable 'delivery of key outcomes' (Chapter 3) which includes 'nature restoration' mechanisms to incentivise activities which will preserve and increase biodiversity. The overall package of future support should be designed to support national efforts to halt and reverse biodiversity decline.

We recognise the important role that both public and responsible private investment in Scotland's natural capital has to play in meeting our climate change targets and delivering wider benefits from our land. A <u>Green Finance Institute Report from 2021</u>, outlined the nature finance gap of £20 Billion that Scotland is facing this decade. We also recognise that private investment in Scotland's natural capital needs to be responsible, which is why in March 2022 the Scottish Government published a set of <u>Interim Principles for Responsible Investment in Natural Capital</u>. These Interim Principles outline our ambitions and expectations for responsible private investment in natural capital to all stakeholders with a role in natural capital markets, including those involved in agriculture.

Chapter 3: Proposals for Inclusion in the New Agriculture Bill

The proposals for the new Agriculture Bill aim to provide an adaptive framework to respond to future social, economic, and environmental changes, challenges and opportunities.

This approach also enables tailored provisions and support to be implemented through secondary legislation and potentially adapted on a regular basis as required. This will enable specific targeted support to be adaptable to the future challenges and uncertainties, including climate impacts and market changes, whilst reinforcing our commitment to continue to support the agricultural industry.

The new Agriculture Bill aims to enable flexibility whilst ensuring that Scotland's people are able to live and work sustainably on our land and this framework will deliver key outcomes:

- high quality food production;
- climate mitigation and adaptation;
- nature restoration; and
- wider rural development.

For each of these proposals for the new Agriculture Bill, there are a number of questions to determine whether respondents agree with the aim of the proposal; agree with the suggested method to achieve that aim; have any alternative proposals for achieving the aim; and have any comments on the potential impacts of the proposals.

The remainder of this chapter is split into 6 parts to reflect the proposals that the Scottish Government is considering for possible inclusion in the new Agriculture Bill. Each of these proposals will assist in the delivery of the <u>Vision</u>. These parts are:

- A. Future Payment Framework;
- B. Delivery of Key Outcomes;
- C. Skills, Knowledge Transfer and Innovation;
- D. Administration, Control, and Transparency of Payment Framework Data;
- E. Modernising Agricultural Tenancies; and
- F. Scottish Agricultural Wages (Fair Work).

A. Future Payment Framework

Background

The CAP is the EU policy to provide financial support to farmers and in respect of the rural economy in Member States. The CAP provides for example for direct support payments to farmers and crofters, and covers the common market organisation ("CMO") which is the framework for the market measures provided for under the CAP. Direct support arrangements are comprised of seven multi-purpose payments:

- a 'basic payment' per hectare;
- a 'greening' component;
- an additional payment for young farmers;
- a 'redistributive payment';
- coupled support for production; and
- a system for 'small farmers'.

Under the previous CAP regulations, rolled over into retained EU Law, there is a provision to support the agricultural industry in case of major crises affecting agricultural production or distribution, through a reserve crises budget. The crises reserve is intended to provide additional support for the agricultural sector to help address particular crises. This is funded by applying a reduction to direct payments through a financial discipline mechanism each year and the total funding of the crises reserve is limited.

A new Agriculture Bill provides the opportunity to develop a future agriculture support regime to be implemented at an appropriate point and flexibly from 2025 onwards. This will shift to a new Scottish approach that aligns with the new EU CAP but doesn't necessarily follow the rigidity of how payments are distributed. The Bill will allow for flexibility to weight payments, as the EU policy does through front loading, tapering and capping of payments should Ministers wish to do so.

We believe that agriculture can play a leading role in delivering a net zero and nature-positive Scotland and we remain committed to supporting active farming and food production. These elements are key to delivering our commitment to being a Good Food Nation, supporting local food strategy, promoting strong local food supply chains and increasing gender equality and opportunities for women and new entrants.

In order to deliver the <u>Vision</u> it is necessary to ensure Scottish farmers and crofters have security of income and have the mechanisms in place to enable their activities to be rewarded, both in feeding the nation and ensuring sustainable and regenerative stewardship of the land. It is necessary to ensure these mechanisms are flexible to emerging social, economic and environmental priorities.

Proposals

The Future Support Framework proposes mechanisms should be incorporated into the new Agriculture Bill to enable conditional payments under 4 tiers:

- **Tier 1** a 'Base Level Direct Payment';
- Tier 2 an 'Enhanced Level Direct Payment';
- Tier 3 an 'Elective Payment'; and
- **Tier 4** 'Complementary Support'.

Tier 1 and 2 would sit under the one umbrella of direct payments, acknowledging the need to ensure that conditions are fitted to the variance of Scottish agriculture, and Tiers 3 and 4 would be indirect payments.

Figure 2: Vision of Agriculture Support Package Beyond 2025

Vision of Agriculture Support Package Beyond 2025

	1 & 2 Payments	Tier 3 & Tier 4 Indirect Payments				
Ma Tier 1 Base Payment	nagement Paym Tier 2 Enhanced	ents Tier 3 Elective		4 Complementa evelopment	ary Support	
To support active farming and food producers.	Payment For businesses that are highly effective in:	Payment Targeted actions to support:	New Skills Knowledge Training and CPD	Advisory Services Business support	Tree Planting	
Conditional on essential standards to	Reducing greenhouse gas emissions	Nature restoration	Measurem To measure	To measure	Peatland Restoration	
ensure climate, biodiversity, & business efficiency outcomes	Nature restoration and enhancement	Innovation Support Supply Chain support	nature restoration and enhancement	greenhouse gas emissions and sequestration	Agricultural Transformation Fund	

Figure 3: Management Payments and Conditionality

Management Payments

	Enhanced Conditionality on 50% of future Direct Payments			[Enhanced Conditionality on 50% of future Indirect Payments
	Tier 1 Base Payment		Tier 2 Enhanced Payment		Tier 3 Elective Payment
	To support active farming and food		For businesses that are highly		Targeted actions to support:
	producers.		effective in:		Nature restoration
	Conditional on essential standards to ensure climate, biodiversity, &		Reducing greenhouse gas emissions		Innovation
	business efficiency outcomes		Nature restoration and enhancement		Supply Chains
	Sustainable Farming Standards"* Greening Whole Farm Plan Cross-Compliance (SMR's + GAEC)		<u>National Test Programme</u> The TSF is focused on understanding which Measures will form part of the		
	Whole Farm Plan		enhanced payment. As well as testing the menu and system design most		
*	Work stream required to define ustainable Farming standards		Appropriate to achieve SG objectives		

- Ι. **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.
- II. **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.
- III. 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.
- IV. 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.
- V. 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.

- VI. Overarching this tiered system of support, it is proposed that mechanisms are incorporated into the new Agriculture Bill to enable payments to be adaptable to social, economic, and environmental conditions to allow flexibility to respond to future challenges and to ensure we can continue to refine and improve the operation of the framework over time depending on emerging best practice, improvements in technology, evidence on climate impacts and how well the industry is performing against targets. The details of the Base, Enhanced and Elective support will be brought forward in secondary legislation made using the enabling powers in the Bill, and could be modified as needed using those powers.
- VII. Finally, it is proposed that mechanisms should be incorporated into the new Agriculture Bill to enable Scottish Ministers to support the agricultural industry when there are exceptional or unforeseen conditions or major crises affecting agricultural production or distribution, through a crises payment power. The crises reserve is intended to provide the ability to provide financial assistance to agricultural producers whose incomes are being, or are likely to be, adversely affected by the exceptional or unforeseen conditions.

Questions

- 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?
- □ Yes
- □ No
- □ Don't know

Please give reasons for your answer.

- 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?
- □ Yes
- 🗆 No
- Don't know

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?

□ Yes

- □ No
- Don't know

Please give reasons for your answer.

- 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?
- □ Yes
- 🗆 No

Don't know

Please give reasons for your answer.

- 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?
- □ Yes
- 🗆 No
- Don't know

Please give reasons for your answer.

- 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
- 🗆 No
- Don't know

Please give reasons for your answer.

- g) Do you agree that the new Agriculture Bill should include a mechanism to help ensure a Just Transition?
- □ Yes
- 🗆 No
- Don't know

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
- □ No
- Don't know

Please give reasons for your answer.

- 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
- 🗆 No
- Don't know

Please give reasons for your answer.

B. Delivery of Key Outcomes

To deliver the <u>Vision</u> and ensure Scotland will have a support framework that delivers high quality food production, climate mitigation and adaptation, nature protection and restoration, and the wider management of Scotland's natural assets we propose targeted mechanisms to deliver these 'key outcomes'.

In response to the recent '<u>Agriculture transition: first steps towards national policy:</u> <u>consultation</u>' ("the Agriculture Transition: consultation"), published in August 2021, there was a broad consensus among respondents that future payments should not be purely linked to emissions reductions. Therefore our key outcomes for support are:

- climate change adaptation and mitigation;
- nature protection and restoration;
- high quality food production; and
- wider rural development.

Climate Change Adaptation and Mitigation

Background

Scotland's statutory framework for responding to the global climate emergency is set out through the Climate Change (Scotland) Act (2009) (as amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act (2019)). This framework includes duties on Scottish Ministers to:

- meet economy-wide emissions reduction targets, leading to net-zero emissions by 2045, with regular Climate Change Plans as the key vehicles for setting out policies to achieve these changes across all sectors of the economy;
- as part of these Plans (from the next iteration onwards) to set out policies and proposals regarding the establishment of a whole farm approach to emissions accounting on Scottish farms, and the reduction of Scottish whole farm greenhouse gas emissions; and
- respond to regular (every 5-years) UK-wide Climate Change Risk Assessments with Scottish Climate Change Adaptation Programmes. The current Risk Assessment contains a range of priority risks in relation to climate impacts on agriculture.

On climate change mitigation: farming, crofting and land management will continue to play an important role in maintaining thriving rural and island communities as we mitigate climate change. We also recognise the important role our farms and crofts (our natural capital) have to play in carbon sequestration and helping meet our climate targets. We continue to further deliver emission reductions in line with Scotland's statutory economy-wide targets. Agriculture needs to reduce its emissions by 31% from current levels by 2032, to meet its envelope under the <u>Climate Change</u> <u>Plan Update</u> ("CCPU") and support greater integrated management of our land for many outcomes. A draft of the next Climate Change Plan, including proposals for the whole farm emissions accounting approach, will be published in late 2023.

On climate change adaptation, which is about how business and land managers prepare for a warming climate and more frequent extreme weather events: the current approach to building resilience to impacts is set out in the second <u>Scottish</u> <u>Climate Change Adaptation Programme</u>. This is framed around seven high level outcomes, one of which relates to "Our inclusive and sustainable economy is flexible, adaptable and responsive to the changing climate" and includes specific outcomes on and policies for businesses such as agriculture. The next Climate Change Adaptation Programme, in response to the recently updated <u>Risk Assessment</u> is due to be published by Autumn 2024.

It will be important to manage land, water or livestock in a way that mitigates or adapts to climate change. Land management in Scotland will change as we tackle the twin climate and biodiversity crises which will present challenges and opportunities for farmers and crofters, building on their traditional leadership role in land management and stewardship. The Climate Change Plan update noted the multiple pressures on agricultural land use. Food production, woodlands, peatland restoration, bio-energy feedstock production and nature restoration are all competing, meaning it is important to consider optimal management of our land.

Our farmers crofters and land managers must have access to the benefits, both economic and social, that these changes will bring. This would deliver greater benefits for nature and biodiversity, as well as for climate mitigation and adaptation. Supporting integrated land management presents an opportunity for farmers, crofters and land managers with potential new income streams while continuing sustainable production of food and other products from our natural assets.

In response to the <u>Agriculture Transition consultation</u> a number of major stakeholders agreed there was a need for farmers, crofters and land managers to achieve a clearer understanding of the environmental impact of their activities and that future agricultural support should enable the recording of relevant information and encourage informed actions to address the climate emergency.

We will continue to support integrated land management, and changes to land management that contribute to our climate and biodiversity goals in line with the <u>recommendations of the Just Transition Commission</u>.

Proposals

To deliver the <u>Vision</u> and "emission reductions in line with our climate targets" we propose:

- I. 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).
- II. 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).
- III. 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.
- IV. 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.

Questions

- 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
- □ No
- Don't know

Please give reasons for your answer.

- 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
- 🗆 No
- Don't know

Please give reasons for your answer.

- 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
- □ No
- Don't know

Please give reasons for your answer.

- 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
- □ No
- Don't know

Nature Protection and Restoration

Background

The <u>Environment Strategy</u> vision was published in 2020, with a set of supporting outcomes. The 2045 vision describes our long-term ambitions for Scotland's natural environment and our role in tackling the global climate and nature crises. It states that:

"By restoring nature and ending Scotland's contribution to climate change, our country is transformed for the better - helping to secure the wellbeing of our people and planet for generations to come."

The <u>Environment Strategy</u> creates an overarching framework for Scotland's strategies and plans on the environment and climate change, including the Climate Change Plan, the Cleaner Air for Scotland Strategy, River Basin Management Plans and the forthcoming new Biodiversity Strategy.

Scottish Ministers are currently <u>consulting on a new biodiversity strategy</u>, which closes 12 September 2022, and seeking views on our high level vision for nature in Scotland. Agriculture must contribute to the restoration of nature through biodiversity gain on the land. After we have considered the responses to that consultation, our new Biodiversity Strategy will be published later this year and will align with the new Global Biodiversity framework to be delivered at Biodiversity CoP 15. We have also committed to delivering statutory nature targets through a Natural Environment Bill.

Farming, crofting and land management will play an essential role in delivering on our environmental outcomes by managing land, livestock and water in a way that protects and improves the environment. These outcomes include protecting and restoring biodiversity and supporting clean air and water, actions and measures that contribute to flood risk management locally and downstream and healthy soils. Supporting action at catchment or landscape scale is also important to allow delivery of these outcomes. We are committed to providing the mechanisms to support outcomes that restore nature, benefit our natural capital and promote the natural economy and we will continue to encourage more farmers and crofters to farm and produce food organically.

Responses to the <u>Agriculture Transition consultation</u> emphasised the importance of interventions to allow farmers, crofters and land managers to undertake activity to support biodiversity and nature restoration. Stakeholders referred to the importance of local, regional and national mechanisms to address the need for nature restoration.

Proposals

To deliver the <u>Vision</u> and "contribute to the restoration of nature through biodiversity gain" we propose:

I. 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.

- II. 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.
- III. That the new Agriculture Bill should include a mechanism to enable and support action on a catchment or landscape scale.

Questions

- 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
 - □ No
 - □ Don't know

Please give reasons for your answer.

- 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
 - □ No
 - □ Don't know

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
 - 🗆 No
 - □ Don't know

High Quality Food Production

Background

<u>F</u>ood and drink hold an important place in the culture and economy of Scotland. Ensuring that the people of Scotland has ready access to the healthy, nutritious food they need, that food companies are a thriving feature of the economy and places where people want to work. Whilst, ensuring that what Scottish producers produce is increasingly healthy and environmentally sound are the cornerstones of the Scottish Government's approach to our Food and Drink.

The entirety of Scottish Government and partners' activities in relation to food and drink is based around these ambitions, from community growing to forging new links with overseas customers, from ensuring our iconic products have the legal protection they need, to getting more quality local food on the menu at schools, and much more besides. Our farm-to-fork approach is reflected in the provisions of the Agriculture Bill which will enable us to provide support for food and drink businesses and other organisations involved in food and drink.

Scottish Ministers are committed to encouraging the production of high quality food, produced more sustainably. Recent world events have had, and are continuing to have, an impact on global food security which must be taken into account in future food policy.

In March this year, we set up a Short-life Food Security and Supply Taskforce, together with industry. The aims of the Taskforce were to monitor and identify any potential disruption to the food and drink supply chain resulting from the impact of the war in Ukraine. It was also set up to recommend any short, medium and longer term actions that could be taken to mitigate impacts, resolve supply issues and strengthen food security and supply in Scotland – both by business and Government. The taskforce published its <u>report</u> in June. The proposed enabling provisions contained in the consultation will assist in delivering towards these recommendations.

Our policies will enable Scotland to develop its agriculture and food sector in ways that promote food security: by having a highly skilled workforce, by keeping farmers in farming, by shortening supply chains and reducing food waste, by enabling risk-sharing within the agriculture and food sectors, by supporting a wide variety of models of agriculture and different crops, and by contributing to our Net Zero ambitions. The Agriculture Bill has an important role to play in realising these aims.

The Good Food Nation Bill sets out the Scottish Government's ambition to become a Good Food Nation. The Bill places duties on Scottish Ministers and certain public authorities to produce plans of their policies in relation to food and set out what they will do to make those plans real. We want these plans to deliver outcomes which support our nation's social and economic wellbeing, the environment, people's health and mental wellbeing, economic development, animal welfare, education and child poverty. The new Agriculture Bill will look to assist with delivering these outcomes. The Local Food Strategy defines what we are doing to ensure people can enjoy quality local food whether at home, school, work or out and about.

Scotland is a nation producing high quality, rather than high volume, food and drink products. Our targets for increasing turnover will only be achieved by strengthening the supply chain. We are also committed to taking practical action which tackles both the symptoms and the causes of food insecurity. Scottish Ministers have already sought to embed food rights at the heart of public policy by continuing to challenge directly the causes of food insecurity. The Scottish Government is committed to establishing a Food Security Unit to address these matters.

In terms of current controls on food quality, much of the detailed rules for marketing standards for food are of EU origin. The Single Common Market Organisation ('CMO'), retained EU law Regulation (EU) 1308/2013, was part of the common agricultural policy and is now retained EU law. The CMO lays down a common organisation of the markets in agricultural products (including many key foods such as poultry, meat, beef, eggs etc.). It will be essential to be able to readily amend the current rules on food to maintain consumer confidence and high quality standards.

The CMO also currently provides support schemes for certain food or agricultural products or certain sectors of agriculture, including:

- producer organisations
- school milk
- fruit and vegetables
- apiculture
- public intervention and private storage aid for agricultural products where certain market conditions are met.

However, additional specific funding mechanisms for the agri-food sector will likely be necessary to improve and develop this sector further, while bearing in mind the wider context considerations noted in this consultation document. The areas where support may be necessary are to encourage sustainability, efficiency, co-operation, industry development, education, processing and marketing in the agri-food sector.

Further, as has been seen over recent years, there can be unexpected events which impact negatively on food supply and quality. To react to such emergencies it would be appropriate to have powers to provide support to the agri-food sector and related bodies in cases of major crises affecting the distribution or quality of food.

Proposal

To deliver the <u>Vision</u> of "high quality, nutritious food locally and sustainably produced is key to our wellbeing – in economic, environmental, social and health terms. 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." We propose:

I. *Giving powers to make changes to rules related to food* - Further rules on common market organisation (e.g. marketing standards and trade descriptions) are contained in Scottish Statutory Instruments and retained EU law. The CMO was partially replaced and amended by the Agriculture (Retained EU Law and Data) (Scotland) Act 2020 ("the 2020 Act"). Now

that the UK has left the European Union there has been the opportunity to see how powers need to be used in practice. As a result of this, some technical fixes are necessary to allow Scottish Ministers to readily amend retained EU law and related legislation on common market organisation in the area of food and drink.

- II. Continuing to provide current support re. food Furthermore, adjustments may be necessary to the nature of the support to enable the Scottish Government to deliver wider objectives while reflecting current circumstances. For example, there may be opportunities to tailor support to the Scottish context while maintaining the objective of EU alignment, in order 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. Similarly there may be changes to support schemes at an EU level which Scotland wishes to consider as part of its policy of alignment. Therefore we propose that Scottish Ministers should have powers to amend the CMO regulations and to take appropriate measures to provide support to relevant sectors in the future.
- III. Giving new powers to support the agri-food sector The Agriculture Bill should include a mechanism to enable payments which help deliver food production and, where appropriate, to provide grants to support both the agri-food sector and to bodies related to the agri-food sector in connection with:
- Agri-food sustainability
- Agri-food efficiency
- Agri-food co-operation
- Agri-food industry development
- Agri-food education
- Agri-food processing
- Agri-food marketing
- IV. Giving reserve powers to support the agri-food sector The new Agriculture Bill should include a power to declare when there are exceptional or unforeseen conditions adversely affecting food production or distribution, and the ability to provide financial assistance, if necessary, 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.

Questions

- 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
 - 🗆 No

Don't know 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
 - 🗆 No

Don't know

Please give reasons for your answer.

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

- □ Yes
- 🗆 No
- □ Don't know

Please give reasons for your answer.

- 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?
 - □ Yes
 - 🗆 No
 - Don't know

Please give reasons for your answer.

- 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
 - 🗆 No
 - □ Don't know

- 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
 - 🗆 No
 - Don't know

Please give reasons for your answer.

- 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?
 - □ Yes
 - 🗆 No
 - Don't know

Please give reasons for your answer.

Wider Rural Development

Background

The Scottish Government is committed to sustaining and developing resilient and thriving rural and island communities and ensuring that local voices shape and drive community development.

The EU's rural development policy is designed to support rural areas of the Union and meet the wide range of economic, environmental and societal challenges. Rural development policy is implemented through multiannual rural development programmes designed by Member States. The Scottish Rural Development Programme provides current support through a range of schemes.

The new Agriculture Bill provides the opportunity to deliver both new and further support mechanisms relating to the wider management and utilisation of Scotland's natural assets that further rural development while still remaining aligned with EU outcomes. The new Agriculture Bill will, in particular, allow action and financial support to activities to contribute directly to rural and island communities whilst also enabling and supporting collaboration to allow capacity building and positive change.

The Forestry Grant Scheme (FGS) for example is underpinned within the retained EU law following EU-exit. These retained laws provide the legislative, compliance, financial and IT framework for the FGS amongst others. FGS supports a range of

activity beyond woodland creation including woodland management, community development and wealth building, tree health, forest infrastructure, small scale local utilisation of timber and wood products, and cooperation between land-managers. These activities currently are funded under measures aimed at supporting wider rural development.

So, for example, after EU-exit the LEADER programme closed in December 2021. Following the closure of LEADER, the 'Rural Communities Testing Change' and 'Ideas in to Action' programmes explored future approaches to community-led local development (CLLD) in rural and island communities in Scotland. Key learning from these programmes identified that to deliver social value and a diverse and resilient rural economy any future programmes must:

- enable and support partnership working and the sharing of knowledge between a range of groups in communities;
- contribute to building capacity in our rural and island communities;
- support and promote innovation and creativity; and
- empower local communities to take decisions in determining those priorities that meet local needs (within the context of national priorities) since these decisions directly impact on the lives of rural people.

Alongside the LEADER programme, the powers have supported strengthening networking and good practice in how rural development has been taken forward in Scotland. The Scottish Rural Network (SRN) has achieved this through collaboration and the sharing of information, ideas and good practice and stimulating innovation in agriculture, food production and forestry. Additionally, the SRN has been a vehicle to inform and allow farmers, land managers, rural and island communities and stakeholders a voice in influencing policy developments. The SRN has contributed to strengthen Scotland's rural and island communities and businesses by supporting and empowering them to become sustainable and vibrant places to live, work and study.

While these initiatives may evolve in line with the approach to agricultural and wider land use policy the Scottish Government intends to preserve the principles that underpin them and ensure the relevant powers are present in the new Agriculture Bill to support their continuation and adaptation as required.

Proposal

To deliver the <u>Vision</u> 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:

I. 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.

- II. 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 Minster'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.

Questions

- a) Do you agree that the proposals outlined above should be included in the new Agriculture Bill?
 - □ Yes
 - 🗆 No

Don't know

Please give reasons for your answer.

- 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
 - 🗆 No
 - □ Don't know

- c) What other powers may be required to enable rural development in Scotland's rural and island communities?
 - □ Yes
 - □ No
 - Don't know

Please give reasons for your answer.

- d) What potential social, economic or other impacts, either positive or negative, would such powers have on Scotland's rural and island communities?
 - □ Yes
 - □ No
 - □ Don't know

Please give reasons for your answer.

Animal Health and Welfare

Background

Scotland has a strong tradition of high value, high health and welfare status livestock. This has been built on a unique and internationally recognised teaching, research and development, veterinary surveillance, knowledge transfer and exchange base and a resourceful sector supplying domestic and international markets with live animals, genetic material and animal products. Efficiency of production, maximising the use of this strong base is central to the future of the sector in order to ensure that environmental and economic gains can be achieved.

Scottish Ministers commitment to protecting and enhancing health and welfare is demonstrated by a commitment to the development of a Scottish Veterinary Service, their continuing investment in traceability systems (ScotEID), their development of welfare legislation and plans for control of sheep scab and Porcine Reproductive and Respiratory Syndrome (PRRS). These developments in animal health have come with the support and partnership of the Scottish livestock sector. It is notable that improvements associated with campaigns such as BVD eradication bring added value from the increased awareness of biosecurity (sourcing, separation of stock, fencing, vaccinations etc) that enhance protection from even more serious diseases.

In recent years analysis and reports from both scientific and industry perspectives have documented the evidence for the impact of poor health on efficient (economic and environmental) livestock production and suggested actions that could be taken to prevent and control diseases at farm level. The evidence on national prevalence of many of these disease, and the extent of constraints on production efficiency they cause, is incomplete because they are neither reportable or notifiable, although recent implementation of the EU Animal Health Regulation has altered this for a small number of diseases.

Good health is an essential component of good welfare. Poor health caused by infectious agents or other factors can cause distress and pain to the animal, concern

to the keeper, their vet and the public. Good welfare associated with how animals are kept including good housing and environment, nutrition, good stockmanship and ability to express normal behaviours will enhance health and production; in the same way that better health will enhance welfare. Advice and guidance on both must be tailored to the management system under which livestock are kept.

Current powers, available to Scottish Ministers to provide financial support to farmers for animal health and welfare, include those contained in the Animal Health Act 1981 which have the purpose of controlling a number of notifiable and reportable diseases of livestock such as Foot and mouth Disease and Avian influenza. These powers allow compensation to be paid to farmers for loss of animals that are slaughtered as part of the control policy. Scottish Ministers also have a general power to expend such sums as they think fit with the object of eradicating as far as practicable these diseases or other diseases of animals, with associated powers of inspection and enforcement.

In order to support rural industries Scottish Ministers have used various other powers in a variety of enactments, depending on the nature of the project or initiative concerned, including the now elderly Small Landholders (Scotland) Act 1911.

What is lacking is a modern suite of powers allowing Scottish Ministers to make meeting minimum animal health, welfare and biosecurity requirements a condition to receive farm support, and to provide funding for measures that improve farm animal health and welfare.

Proposals

Scotland aspires to a continuous improvement in animal health and welfare in order to better protect and enhance animal health and welfare, to facilitate efficient production and to promote trade and meet consumer confidence. To meet this aspiration we propose that:

- I. The new Agriculture Bill should include powers to establish standards for animal health, welfare and biosecurity as a condition for receiving payments.
- II. The new Agriculture Bill should include powers to make payments to support improvements in animal health, welfare and biosecurity beyond legal minimum standards.
- III. The new Agriculture Bill should provide powers to collect and share livestock health, welfare and biosecurity data.

Questions

- 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
 - 🗆 No
 - □ Don't know

Please give reasons for your answer.

- - Don't know

Please give reasons for your answer.

- c) Do you agree that the new Agriculture Bill should include powers to collect and share livestock health, welfare and biosecurity data?
 - 🗆 Yes
 - 🗆 No

Don't know

Please give reasons for your answer.

Plant Genetic Resources and Plant Health

Background

Genetic diversity amongst domesticated plants and their wild relatives provides a solid foundation from which we can draw upon for development of resilient new varieties and agricultural systems. In the face of increased pressure from biotic (pests and disease etc.) and abiotic (climate and soil contamination etc.) stress, coupled with drives to reduce inputs such as plant protection products and fertilisers, a broad plant genetic resource base is likely to prove vital in ensuring future food security. Additional funding for the conservation of plant genetic resources may be necessary to support this area.

Plants provide huge value to the economy and society. Plant pests and diseases threaten that value. Dealing with outbreaks can be costly to businesses, society and government. We want to be better able to withstand and recover from the impacts of pests and diseases, protecting the benefits offered by plants for generations to come. We want to see reduced losses from pest and disease outbreaks, and make sure our plants can withstand future challenges by increasing their resilience and ensuring we have systems in place to support outbreak response and landscape recovery.

Context for Proposals

We want to ensure we have the appropriate powers to support initiatives which conserve plant genetic resources. This area aligns with the vision of protecting and restoring biodiversity, including agricultural biodiversity. Conservation of such resources aligns with the <u>Sustainable Development Goals</u> (Goal 2, Target 2.5), which are localised in Scotland by the <u>National Performance Framework</u>.

We want to ensure we have the appropriate powers to support initiatives to protect and improve plant health, for example by enabling landowners to take appropriate and timely action in response to pest and disease outbreaks. This could include, for example, support to remove infected plants, treat infection, or undertake pre-emptive action through the removal of pest reservoirs, or support for recovery from pest and disease outbreaks in landscapes through replanting with appropriate species to build resilience and help reduce the impact of any future outbreak.

Proposal

- To ensure Scottish Ministers have the power 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
 Such support could include, for example, measures for funding ex-situ programmes such as gene-banks and community seedbanks, or in-situ/circasitu measures to conserve landraces and crop wild relatives through on farm schemes.
- II. To ensure Scottish Ministers have the power to provide support to protect and improve plant health for example, support for measures to control the spread of plant pests and diseases or to increase resilience to outbreaks.

Questions

- 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
- 🗆 No
- □ Don't know

- b) Do you agree that Scottish Minister should have the power to provide support to protect and improve plant health?
- □ Yes
- □ No
- Don't know

Please give reasons for your answer.

C. Skills, Knowledge Transfer and Innovation

Background

Knowledge transfer and innovation are critical components in addressing skills gaps in the agricultural sector and delivering innovation through on-the-ground improvements in agricultural competitiveness, resource efficiency, environmental performance and sustainability. This aligns with Scottish Government priorities for net zero, resource efficiency and biodiversity.

This is currently facilitated through provision of support to organisations to disseminate information and advice; deliver vocational training; coaching; workshops; courses; technical notes and other advice; demonstration projects and farm visits, designed to develop skills and transfer knowledge and understanding. Aims and objectives are currently underpinned through provision of support for the Farm Advisory Service (FAS); Knowledge Transfer and Innovation Fund (KTIF); and Monitor Farm Programme (MFP).

FAS offers a significant amount of quality advice and support on a range of topics, the vast majority of which is free to the user. This includes: events, advice line help, technical notes, videos and one-to-one bespoke consultancy advice to name a few. Additionally, it offers bespoke one to one advice through a range of products including: integrated land management plans, carbon audits, mentoring and specialist advice.

KTIF has two main purposes:

- it provides financial support to Non-Governmental Organisations to promote vocational training, skills development and knowledge transfer projects focused on agriculture/crofting. This is delivered through workshops, training courses, coaching, information dissemination actions and farm visits; and
- the scheme funds eligible innovation projects designed to support projects that introduce innovative approaches which enhance competitiveness; enhance ecosystems; promote resource efficiency; and, shift to low carbon climate resistant economy.

The Monitor Farm Scotland programme is farmer-led, allows community groups to guide the programme and enables development of bespoke, regional knowledge transfer programmes that help build resilient farming and rural communities.

In response to the recent '<u>Agriculture transition: first steps towards national policy:</u> <u>consultation</u>', published in August 2021, there was a broad consensus that upskilling is crucial to realising the improvements needed within the agriculture sector and that knowledge exchange was an important tool to support improvement. Consultation responses also underlined that a lack of relevant knowledge and skills could present barriers to achieving a Just Transition. The new Agriculture Bill and your responses to the proposals outlined below provide the opportunity to ensure a Just Transition.

Under Regulation (EU) No 1307/2013 each EU Member State is required to establish a national reserve and may establish regional reserves. Member States are required to allocate payment entitlements from their national or regional reserves in such a way as to ensure the equal treatment of farmers and to avoid distortions of the market and of competition.

Member States can use their national or regional reserves to allocate payment entitlements, as a matter of priority, to young and new farmers commencing their agricultural activity. National or regional reverses allow Member States to, among other things, allocate payments to prevent land being abandoned or compensate farmer and land managers for specific disadvantages that they face.

Proposal

To deliver the <u>Vision</u>; "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:

- I. 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.
- II. 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.

Questions

- a) Do you agree that support should continue to be provided in this area?
 - □ Yes
 - 🗆 No
 - □ Don't know

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

- □ Yes
- □ No
- □ Don't know

Please give reasons for your answer.

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

- □ Yes
- 🗆 No
- Don't know

Please give reasons for your answer.

- d) Do you have any ideas as to how engagement/participation in advisory services, knowledge transfer or skills development might be improved?
 - □ Yes
 - 🗆 No
 - □ Don't know

Please give reasons for your answer.

- 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?
 - ☐ Yes
 - □ No
 - □ Don't know

Please give reasons for your answer.

D. Administration, Control, and Transparency of Payment Framework Data

Background

Under the EU CAP, each Member State is responsible for the control and administration of the CAP in their territory. The system which manages this responsibility is known as an Integrated Administration and Control System (IACS).

IACSs ensure that EU Member States CAP support payments are controlled, managed, and organised to safeguard standards across the EU as required by cross compliance.

IACSs aim to improve efficiency by linking database systems for the purposes of:

- the identification of all agricultural plots in EU countries;
- the identification of the agricultural areas applicable for aid (the geospatial aid application);
- a database for animals in EU countries where animal-based aid schemes apply; and
- a system which ensures systematic cross checks of aid applications based on computerised checks and 'on-the spot checks'.

EU Regulation 1306/2013 and Commission Regulation 908/2014 require the UK and EU Member States to publish details of recipients of CAP payments on a single national website. Following the UK's exit from the EU, the Scottish Government remain committed to full transparency in the use of public funds.

The retained EU law regulations 1307/2013 for direct payments, 1305/2013 for rural development, and 1306/2013 for financial monitoring and controls and their implementing EU regulations have all been used in Scotland following EU-exit to provide for a period of stability and continuity and to enable the CAP legacy schemes to continue to operate in Scotland.

Further rules for the CAP legacy schemes are contained in Scottish Statutory Instruments, and simplifications and improvements to the schemes have been achieved using the enabling powers in terms of the Agriculture (Retained EU Law and Data) (Scotland) Act 2020. But section 5 of that Act provides that no regulations can be made after 7 May 2026 using those enabling powers.

Following the UK withdrawal from the EU, the new Agriculture Bill provides the opportunity for Scotland to develop a similar administration and control system to the EU's IACS whilst demonstrating the Scottish Governments commitment to transparency in the use of public funds.

Proposals

To deliver against the Vision and ensure that funding to support farming, crofting and land management is distributed based on sound financial management, budget principles, transparency and non- discrimination we propose that:

- I. The Scottish Ministers take the powers to set an annual and/or multi-annual budget to support the proposed future support framework (outlined above) and enable intervention for the purposes of supporting high quality food production, climate change mitigation and adaptation, and nature restoration.
- II. The Scottish Ministers take the power to set up an Integrated Administration and control System (IACS) which includes the following elements:

- an identification system for agricultural parcels;
- a geo-spatial application system and, where applicable, an animalbased application system;
- an area monitoring system;
- a system for the identification of beneficiaries;
- a control and penalty system including recovery of payments where proportionate;
- a system for the identification and registration of payment entitlements; and
- a system for the identification and registration of animals.

This proposal will improve the effectiveness and monitoring of support payments and allow Scottish Ministers to create further IACS for the purposes of improving support effectiveness.

- III. The Scottish Ministers take the power to collect information for the purposes of carrying out management, control, audit and monitoring and evaluation obligations and for statistical purposes, and shall not process that data in a way that is incompatible with those purposes. To allow for the measurement and reporting of key performance indicators which will help better inform future policy.
- IV. The Scottish Ministers take the power to gain independent assurance that objectives are being met. This is to ensure that the support provided is within the scope of agreed conditions.
- V. The Scottish Ministers take 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.
- VI. Technical fixes to the Agriculture (Retained EU Law and Data) (Scotland) Act 2020 are necessary to extend the powers affected by section 5 to allow Scottish Ministers to amend retained EU law for CAP legacy schemes as needed to ensure their continued effective operation and regulation until they expire and also to ensure Scottish Ministers have flexibility to better respond to current, post EU exit, circumstances.

Questions

- 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
 - □ No
 - Don't know

- 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
 - □ No
 - Don't know

Please give reasons for your answer.

- 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
 - □ No
 - Don't know

Please give reasons for your answer.

- 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
 - □ No
 - □ Don't know

- 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
 - 🗆 No
 - Don't know

Please give reasons for your answer.

- 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
 - □ No
 - Don't know

Please give reasons for your answer.

- 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
 - □ No
 - □ Don't know

Please give reasons for your answer.

- 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
 - □ No
 - □ Don't know

- 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
 - □ No
 - □ Don't know

Please give reasons for your answer.

- - □ No
 - Don't know

Please give reasons for your answer.

- 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
 - 🗆 No
 - □ Don't know

Please give reasons for your answer.

- I) 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
 - □ No
 - □ Don't know

Please give reasons for your answer.

E. Modernising Agricultural Tenancies

Background

Scottish agriculture is diverse and just over 20% of agricultural land is tenanted. We need to ensure that agricultural tenancies and their legal framework provide the

same equality of opportunity as other forms of agriculture for tenant farmers of both secure and short term tenancies.

The Scottish agricultural tenanted sector has 6,057 agricultural tenancies and these are let to tenant farmers by various types of landlords from traditional landlords in residence, other forms of ownership including trusts, limited companies and offshore interests.

The majority of agricultural tenancies are secure 1991 Act agricultural which total 3,821 tenancies. This type of tenancy is passed on through generations within the same tenant farming family. The remainder of agricultural tenancies are:

- 368 Limited Partnerships,
- 175 Modern Limited Duration Tenancies (MLDTs),
- 743 Limited Duration Tenancies (LDTs) and
- 1,258 Short Limited Duration Tenancies (SLDTs).

Short term tenancies often provide tenant farmers and new entrant's with the opportunity to farm if they are unable to obtain a secure agricultural tenancy.

The following section sets out the range of proposed changes to tenant farming legislation which aim to modernise the legislation, increase opportunities and fairness whilst allowing tenant farmers to play their part in making the Scottish Government's Vision a reality. Enabling tenant farmers to play a leading role in addressing the twin crises of climate change and biodiversity loss.

Context for Proposals

To deliver the <u>Vision</u>; ensure we "continue to modernise tenant farming – a key part of the rural economy and, for some farmers and new entrants, the only route of entry"; and "ensure tenant farmers and smallholders have the same access to climate change and mitigation measures" we propose the following measures.

Agreement to diversification

Background

Currently a tenant farmer requires their landlord's agreement before they undertake diversification activities on their agricultural holding. A diversified activity is something not listed as allowed on the lease; this can include non-traditional agricultural activities such as planting trees or agri-tourism. As a result, this can stop a tenant farmer from being able to do things that support biodiversity or enabling them to mitigate or adapt to the impacts of climate change, or make their business more resilient. At present the Scottish Government do not have a legal mechanism to amend the list of permissible diversifications.

Proposal

I. To address this , we propose that there should be a power for Scottish Ministers to determine what is an acceptable

diversification. This will also help to enable national biodiversity, climate change mitigation and adaptation needs to be met by tenant farmers.

Questions

- a) Do you agree that Scottish Ministers should have a power to be able to determine what is an acceptable diversification?
 - □ Yes
 - □ No
 - Don't know

Please give reasons for your answer.

- 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
 - 🗆 No
 - Don't know

Any comments:

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

Background

When an agricultural tenancy ends, a tenant farmer goes through 'waygo' this is the process for bringing their tenancy to an end. During waygo, the value of the improvements a tenant farmer has made to their agricultural holding will be taken into account and the tenant will be paid an agreed sum by their landlord. This is also the point when a tenant will pay their landlord for any compensation due to the landlord.

When a landlord and tenant farmer discuss the compensation due to be paid by either of them, there are a number of general principles that are taken into account when considering the payment to be made. One of these principles include the list of agricultural improvements made by the tenant farmer, these are defined in legislation by Schedule 5 of the Agricultural Holdings (Scotland) Act 1991.

Schedule 5 Agriculture Holdings (Scotland) Act 1991 needs to be modernised and does not include all of the agricultural improvements and fixed equipment necessary to enable tenant farmers to be able to support biodiversity and take action to mitigate or adapt to climate change.

To give tenant farmers the same equality of opportunity as other farmers, the Scottish Government want to add a range of climate change mitigation and adaption items to the Schedule 5, along with an enabling power to be able to further revise Schedule 5 in the future so tenant farmers can undertake the same activities as owner occupier farmers and crofters.

Currently the legislation covering waygo does not contain a legally binding timescale for the tenant farmer or their landlord to follow. For some tenant farmers this can result in multiple years passing before they receive any money due to them by their landlord. This can result in the tenant from being prevented in securing new accommodation, or moving forward into the next stage of their life.

Some tenant farmers with a secure agricultural tenancy can chose to use an alternative approach to waygo by going through the 'relinquishment and assignation' process in Part 3A of the 1991 Act but not all tenant farmers with a secure agricultural tenancy chose to use this route.

Tenant farmers in time limited agricultural tenancies (MDLTs and LDTs) do not have the ability to use the relinquishment and assignation process, and go through waygo to bring their tenancy to an end.

Proposals

- I. To provide fairness and to provide tenant farmers with the same opportunity adapt to the future as the rest of Scottish agriculture to play their part in supporting biodiversity and undertake mitigation and adaptation measures, the Scottish Government proposes to amend Schedule 5 of the Agricultural Holdings (Scotland) Act 1991 to enable a wider range of activities to be included on Schedule 5 as factors to be taken into consideration in calculating waygo.
- II. To enable tenant farmers to bring their agricultural tenancy to an end by using the legal process of waygo and move forward into the next stage of their lives in a fair way the Scottish Government proposes to introduce a set timescale to conclude the process of waygo.

Questions

- 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
- 🗆 No
- □ Don't know

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
- 🗆 No
- □ Don't know

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
- 🗆 No
- Don't know

Please give reasons for your answer.

Amendment to rules of good husbandry and good estate management

Background

The rules of good husbandry and good estate management applying to tenant farmers and their landlords were defined in the Agricultural Holdings (Scotland) Act 1948, and have not been amended since then. While some tenant farmers and their landlords have amended individual leases to enable them to undertake activities which are not covered by this legislation we want to ensure that the rest can also do so.

Proposal

I. We propose to amend the rules of good husbandry and good estate management to enable tenant farmers and their landlords to undertake a wider range of activities on the land, to enable them to meet future global challenges such as food production, biodiversity, and climate change crises.

Question

- 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

 - □ Don't know

Please give reasons for your answer.

Rent reviews

Background

As outlined in the <u>Programme for Government</u> commitment we will legislate for "a revised approach to rent reviews".

Currently, rents for agricultural tenancies are set using Section 13 of the Agricultural Holdings (Scotland) Act 1991 and Section 9 of the 2003 Agricultural Holdings (Scotland) Act. The 1991 Act provides for a rent review framework surrounding the concept of 'open market rent'. The Land Reform (Scotland) Act 2016 (the '2016 Act') proposed amendments to the 1991 Act to set out an alternative way to calculate rent.

The 1991 Act focused on 'open market rent' which is no longer achievable given the lack of an 'open market' for secure tenancies. The 2016 Act tied the rent to the economic potential of the holding which has the potential to distort the rent calculation.

In partnership, Scottish Government officials and the Tenant Farming Advisory Forum have worked through these methods of rent calculation and believe a hybrid process, which allows for adaptability and negotiation, is required to meet the global challenges of the future.

Our proposal aims to modernise the rent review process by taking a hybrid approach of prescriptive and non-prescriptive factors. It is hoped that this will provide a foundation for parties to negotiate a fair rent whilst allowing for adaptability in the factors that can be considered in determining the rent.

Changes made to the rent review calculation will be reflected in the revised approach to the rent calculation for repairing tenancies.

Proposal

- I. We propose to repeal the rent provisions in the Land Reform (Scotland) Act 2016 and introduce a new rent calculation, which will be a different approach to rent reviews. This will include balancing of the following 3 core elements and factors specific to the lease:
 - Comparable rents for secure or fixed duration tenancies;
 - Assessment of the earnings potential by means of a farm budget; and
 - Consideration of economic outlook for the next 3 years.

Questions

- - Don't know

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.
 - □ Yes
 - 🗆 No
 - □ Don't know

Please give reasons for your answer.

Resumption

Background

When a landlord serves notice to terminate a lease of all or part of an agricultural holding on grounds of redevelopment (a process known as resumption by the landlord), a tenant is entitled to serve a counter-notice and refer the issue to the Scottish Land Court. Should the notice to quit take effect and terminate the lease of all or part of the holding, s42 of the 1991 Act makes provision for compensation for disturbance to be paid to the tenant. Which is calculated on the basis of a year's rent, with the possibility of it being increased to reflect particular loss if claims are suitably made to the landlord.

In the Programme for Government we committed to considering how the valuation for resumption should be assessed.

The current valuation process compensates the tenant for the costs associated with their removal from the land and has no scope for enhancement related to the future land use by the landlord. This is contrasted with the situation where a tenant seeks to exercise their rights to relinquishment and assignation of the lease, where a tenant is entitled to a compensation payment. In this circumstance the value of the land is taken into account when assessed by a valuer; and provisions in the 2003 Act allow a landlord and tenant to agree a sale with vacant possession (ie a termination of the lease on sale) in exchange for a payment calculated on a formula based on the sale value of the land.

We consider that it is time to review whether the provisions relating to compensation for disturbance are fair relative to the compensation provisions where occupation is brought to an end for a different reason.

Proposal

I. To consider if the provisions relating to compensation for disturbance should be amended to reflect an alternative valuation formula for compensation.

Question

- 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?
 - □ Yes
 - □ No
 - □ Don't know

Please give reasons for your answer.

F. Scottish Agricultural Wages (Fair Work)

Background

Scottish Ministers are committed to ensuring that a real Living Wage (rLW) and <u>Fair</u> <u>Work First</u> (FWF) conditions are applied to workers across all sectors of society, including Agriculture, making Fair Work practices the norm in Scottish workplaces and in doing so supporting the vision for Scotland becoming a Fair Work Nation by 2025. The minimum wage rate for Scottish Agricultural Workers is currently based on the UK Government's National Living Wage rate. The Scottish Government's Programme for Government (PfG) has a commitment to consider options for ensuring Agricultural workers are paid the real Living Wage and the Bute House Agreement, includes a commitment to ensure that Fair Work First (FWF) conditions are applied to public sector funding and contracts, subject to limits on devolved competence. Fair Work First conditions include the payment of the real Living Wage (rLW).

Current Wage Rates as at 1 June 2022			
National Living Wage 23+	£9.50		
21-22 Year Old Rate	£9.18		
8-20 Year Old Rate	£6.83		
16-17 Year Old Rate	£4.81		
Apprentice Rate	£4.81		
Agriculture Wages Scotland	£9.50		
Real Living Wage 18+	£9.90		

4 147

Context for Proposal

The SNP 2021 Manifesto has a commitment to "work with the Scottish Agricultural Wages Board to ensure that people working in the industry are paid at least the Scottish Living wage" (rLW). The Scottish Agricultural Wages Board ("the Board") are an Executive Non-Departmental Public Body established under the Agricultural Wage (Scotland) Act 1949. The function of the Board is to fix minimum wage rates, holiday entitlement and other terms and conditions of service for workers employed in agriculture in Scotland.

Proposal

I. We propose to ensure that Fair Work conditions, including the real Living Wage, are applied to all Scottish agricultural workers.

Questions

- a) Do you agree that Fair Work conditions, including the real Living Wage, should be applied to all Scottish agricultural workers?
 - □ Yes
 - □ No
 - □ Don't know

Please give reasons for your answer.

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? □ Yes

□ No □ Don't know Please give reasons for your answer.

Chapter 4: Assessing the Impact

It is important that we understand in more detail the impacts that the options set out in this consultation paper on the new Agriculture Bill may have.

During the consultation period we plan to contact stakeholders to discuss the potential positive and negative effects of our proposals and those that others may suggest.

Please use these questions to tell us your views on these issues.

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?

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?

Annex A

Sample of Broad Proposals Aligned to EU CAP Objectives

Proposed Agriculture Bill Powers	10 EU CAP (2022-27) Objectives
Powers and other mechanisms to allow future payments to farmers, crofters, and land managers to support delivery of national climate change mitigation objectives.	Climate change action
Targeted outcomes for biodiversity to create thriving, resilient nature through conditional direct payments and enhanced payments.	Environmental care
Powers to preserve biodiversity to create thriving, resilient nature through conditional direct payments and enhanced payments	Preserve landscapes and biodiversity.
Powers to create a 'National Reserve'.	Support generational renewal.
Provision to support land-managers and communities who are undertaking and supporting land management not limited to agriculture	Vibrant rural areas.
Powers to enable conditional payments dependent on requirements associated with a 'whole farm approach'.	Increase competitiveness.
Powers to enable payments which help deliver food production and, where appropriate to provide grants to support the agri-food sector and bodies relating to the agri-food sector.	Protect food and health quality.
Support for knowledge transfer, innovation and skills development.	Fostering knowledge and innovation.
Support for active farming and food production with direct payments.	Ensure a fair income for farmers.
Supporting our commitment to being a Good Food Nation by supporting local food strategy and promoting strong local food supply chains.	Improve the position of farmers in the food chain.

Annex B

How to respond

We are inviting responses to this consultation by 21 November 2022.

We would like to hear your views on high level proposals we have set for a new Agriculture Bill. This paper cover a wide range of complex cross-cutting issues and there is a lot to consider.

Please respond to this consultation using Scottish Government's consultation hub, Citizen Space <u>Scottish Government - Citizen Space (consult.gov.scot)</u>. Access and respond to this consultation online at <u>https://consult.gov.scot/agriculture-and-ruraleconomy/proposals-for-a-new-agriculture-bill</u>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 21 November 2022.

If you are unable to respond using Citizen Space, please send your response, including the completed Respondent Information Form to:

By email: FutureAgricultureBill@gov.scot

By post: Agriculture Bill Consultation Agriculture Support Policy Development Area D Spur Saughton House Broomhouse Drive Edinburgh EH11 3XD

Handling your response

If you respond using Citizen Space, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise. To find out how we handle your personal data, please see our privacy policy: https:// www.gov.scot/privacy/.

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <u>http://consult.gov.scot</u>. If you use Citizen Space to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or at FutureAgricultureBill@gov.scot.

Scottish Government consultation process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <u>http://consult.gov.scot</u>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented.

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

Delivering our Vision for Scottish Agriculture: Proposals for a new Agriculture Bill



Respondent Information Form

Please Note this form must be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy: <u>https://www.gov.scot/privacy/</u>

Are you responding as an individual or an organisation?

Individual

Organisation

Full name or organisation's name

Phone number

Address

Postcode		
Email Address		
The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:		Information for organisations: The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.
Publish response with name		' If you shapped the antion IDs not multiple

Publish response with name	If you choose the option 'Do not publish
Publish response only (without name)	response', your organisation name may still be listed as having responded to the
Do not publish response	consultation in, for example, the analysis report.

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?

٦	Vac
	res

🗌 No



© Crown copyright 2022

OGL

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit **nationalarchives.gov.uk/doc/open-government-licence/version/3** or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: **psi@nationalarchives.gsi.gov.uk**.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at

The Scottish Government St Andrew's House Edinburgh EH1 3DG

ISBN: 978-1-80435-843-6 (web only)

Published by The Scottish Government, August 2022

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA PPDAS1114062 (08/22)

www.gov.scot