

1. Readout

- [Redacted]

ENGAGEMENT REPORTS

ANNEX B

ENGAGEMENT REPORT	
Minister	Cabinet Secretary Rural Affairs, Land Reform and Islands
Type of engagement	In-person roundtable discussion on sustainable agriculture: <i>“Designing future agriculture support to deliver sustainable, regenerative farming”</i>
Date	7 June 2023 .
Attending Official(s)	<ul style="list-style-type: none"> • George Burgess Director Agriculture and Rural Economy, Scottish Government • [Redacted], EU Directorate [Redacted] • [Redacted] Food Security, Scottish Government • Alice Biggins, Deputy Director Food and Drink, Scottish Government • Kate Higgins, Special Advisor
Who	<ul style="list-style-type: none"> • George Burgess (Chair / moderator), Director Agriculture and Rural Economy, Scottish Government • Robin Manning, Director, British Agriculture Bureau • Norbert Lins MEP, Chair COMAGRI • Raschad Al-Khafaji, Director of the FAO Liaison Office • Tim Cullinan, Vice President COPA COGECA • Laura McCambridge, Agriculture Counsellor, UK Mission to the EU • Gizem Eras - Counsellor and Head of Section (Agriculture, Fisheries and Environment), Canadian Mission to the EU • Martin Crowley, Agriculture Counsellor, Permanent Representation of Ireland to the European Union • Michaël Sapin, Agriculture Attaché Swiss Mission to the EU • Eero Yrjö-Koskinen Executive Director Institute European Environmental Policy
Key Points	<p>INTRODUCTION</p> <ul style="list-style-type: none"> • Ms Gougeon welcomed participants to the roundtable and thanked them for their time. The discussion would be conducted under ‘Chatham House rules’. • Scotland is an agricultural country with 70% of the land dedicated to the industry which delivers £3 billion in value to the economy.

- In Scotland we did not vote for Brexit and our ambition is to re-join the EU – but in the meantime we will seek to align closely and the Scottish Government has set out its vision to become a leader in sustainable, regenerative farming.
- It is a very interesting time in the sustainable farming debate across the continent. A key part of our approach in Scotland has been co-design with industry. We look forward to hearing the range of views and approaches from people around the table.

RANGE OF VIEWS TABLED:

ROLE OF FARMERS

- The world needs farmers to produce healthy nutritious foods but also to address climate change – e.g locking up carbon in the soil
- But needs to be balanced with food security: covid, Ukraine, rising energy prices. Exposed that food system not resilient and pleased that governments now taking seriously
- Call for a holistic approach: lots of different policies addressing different parts of the problem but not fitting well together. Hard for farmers to deliver these aims.
- What governments can do: farmers need to be supported by to establish a baseline for their carbon; need the right tools and metrics to see that actions they take make a difference; deliver proper support and incentives (not obligations).
- Example seen in Germany where 7 eco-schemes established but the per hectare payment is too low: where you ignore the market you will fail.

EU POLICIES

- Some considered that the [at the time of the roundtable, ongoing] dispute over the Nature Restoration Law was worrying, that biodiversity decline needs to be tackled and that if the proposals do fall it would be a major loss. Also a view that the new CAP has not delivered on environmental aims and agreement that if farmers are to deliver on environmental aims that proper support is required for that.
- Others were of the view that the number and range of environmental policies, legislation and proposals affecting farmers was of huge concern to the sector, and likened it to using a sledgehammer to crack a nut.
- Some third countries highlighted concerns over reciprocal arrangements, and that although there are shared goals, need to find a way to work together and ultimately that might mean doing different things in different places.

- The Carbon Farming proposals were singled out as an example of something that could be beneficial to farmers and a strong example of the role they can play in tackling climate change: if the framework and incentives are right.

SOLUTIONS

- Broad consensus that farmers can and must be part of the solution for tackling climate change. Discussion around the UN Food and Agriculture Organisation's 'Four Betters': production (not land, rather innovation), nutrition, environment (which was a paradigm shift for UN structurally but recognising cannot do one without the other), better life - leaving no-one behind (if we don't make farms more attractive as a living space, we'll see farms closing across the globe).
- Canadian example given where the acceptance of a strong interdependence between environmental quality and agriculture production. Farmers are already part of solution and doing a lot: in the past 25 years production has nearly doubled without increasing GHG emissions. Canada's sustainable agriculture strategy taking an integrated approach, looking at every area of government and of the value chain.
- A number of participants acknowledged the fragility of agrifood systems and an example was given of where an agrifood systems holistic approach is being developed in Switzerland. A vision has been published but it will not likely start until 2030 with a view to getting everyone onboard.
- Also in Switzerland, the constitution was amended to include an article on food security which seeks to safeguard the basis for agricultural production, to use resources efficiently, fight waste and respond to market requirements.
- Some pointed to the potential of gene editing to help farmers in the face of so many environmental regulations but also for things like adaptation.

CONCLUSION

- Ms Gougeon welcomed all of the perspectives and learning shared by the participants.
- The fact that farmers must be a part of the solution was an area of clear consensus across the board.
- The Cabinet Secretary reflected on the fact that the discussion could have continued for much longer, such was the value and interest in it, and that she looked forward to continued engagement in the future.

Action points	<ul style="list-style-type: none"> • SG Officials to follow up with the FAO to get their report on food security (effect of agri policy on improving healthy diet) • SG Officials to consider how the range of lessons, best practice and EU policies in train can help guide the further development of agrifood policy in Scotland. • SG officials to follow up with the Canadian Mission on our mutual interest in women in agriculture.
Comment	A hugely informative exchange with strong contributions across a wide range of interests, conducted under Chatham House Rules. The range of attendees stimulated a lively but very constructive debate, and allowed the Cabinet Secretary to both learn from other international perspectives, and inform those representatives about what is happening in Scotland.

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2. Briefing Pack

BRIEFING PACK FOR MINISTER FOR CABINET SECRETARY FOR RURAL AFFAIRS, LAND REFORM AND ISLANDS

VISIT TO BRUSSELS 6 – 8 JUNE 2023

CONTENTS

BRIEFING NOTE	PAGE
PROGRAMME	2
SUMMARY / OVERVIEW	5
7 JUNE	
Roundtable Sustainable Agriculture	6
[Redacted]	
ANNEX A: Scotland's Trade and Investment Offer	42
ANNEX B: Brexit FMQ	45
ANNEX C : Food security	51
ANNEX D – Food security Task Force recommendations	68

ANNEX E – Key Facts and Figures	71
ANNEX F : range core briefing - Future Vision, sustainability and more	72
ANNEX G – Independence	91
ANNEX H : Seed Potatoes	93
ANNEX I : Gene Editing	94
ANNEX J – Key EU Files	97

PROGRAMME

ENGAGEMENT	TIME	LOCATION	SUPPORT	LOGISTICS
[Redacted]				
WEDNESDAY 7 JUNE				
[Redacted]				
Briefing for panel session and visit ahead	09.00 - 09.30	Ministerial Room, 9 th floor Scotland House Brussels, Rdpt Robert Schuman 6	Martin / [Redacted]	
Gap / Buffer	09:30-09:45		[Redacted]	
Hosting Policy Roundtable: Sustainable Agriculture	09:45 - 11.15	SHB, Edinburgh / Glasgow rm 9 th floor	[Redacted] George Kate (space for other officials in the room)	09:45 welcome coffee / pastries, session to begin at 10:00 [Redacted] to take PHOTO during opening remarks
[Redacted]				

SUMMARY / OVERVIEW

The purpose of the visit is to promote Scottish agriculture, food and drink during EU Green Week in June; to learn more about EU policies and initiatives – to enhance our future agriculture support work, and from an EU alignment perspective; and, to build international relationships across the RALRI portfolio.

Your draft programme includes a roundtable discussion “*Designing future agriculture support to deliver sustainable, regenerative farming*” with invited guests – currently 9 confirmed across EU institutions, third country and Member State representations, think tanks. It will allow you to demonstrate that Scotland is an interested and engaged partner to the EU - with tangible outputs of using the insights from this discussion to inform (and support) future Scottish agricultural policy. [Redacted]

As well as the backdrop of it being EU Green Week in Brussels, your visit comes at a time when sustainable farming, and the role farmers can play in supporting the delivery of environmental and climate ambitions, is one of the most high profile

debates within the EU institutions. At the start of May the largest political grouping in the European Parliament, the European People's Party (EPP) agreed a resolution rejecting the current terms of Commission proposals for both the Sustainable Use of Pesticides Regulation and a Nature Restoration Law. The issues cut to the heart of the debate across the EU about balancing moves to make agriculture more sustainable with requirements for food security which has led to divisions across the institutions.

The debate at large threatens to derail these key pieces of legislation, a risk that has been further heightened in recent weeks with both the (advisory) agriculture and pêche EP Committees voting to reject the NRL and SUR proposals. With the lead Environment Committee due to vote on the issue on 15 June and a plenary vote on 10 July, Environment Commissioner Sinkevicius and EVP Frans Timmermans have sought to defend and promote the virtues of the set piece environmental legislation, stressing that rather than threatening food security, the proposals will future proof it.

HOSTING POLICY ROUNDTABLE: DESIGNING FUTURE AGRICULTURE SUPPORT TO DELIVER SUSTAINABLE, REGENERATIVE FARMING

What	In-person roundtable discussion on sustainable agriculture: <i>“Designing future agriculture support to deliver sustainable, regenerative farming”</i>
When / Where	Wednesday 7 June 2023, 10:00-11:15 in Edinburgh / Glasgow room 9 th floor SHB, with welcome pastries / tea & coffee from 09:45
Key Message(s)	Scotland is an interested and engaged partner to the EU and other international partners; keen to learn from others as we continue to shape our future agriculture support arrangements.
Who	<ul style="list-style-type: none"> • George Burgess (Chair / moderator), Director Agriculture and Rural Economy, Scottish Government • Robin Manning, Director, British Agriculture Bureau • Norbert Lins MEP, Chair COMAGRI • Raschad Al-Khafaji, Director of the FAO Liaison Office • Tim Cullinan, Vice President COPA COGECA • Laura McCambridge, Agriculture Counsellor, UK Mission to the EU • Gizem Eras - Counsellor and Head of Section (Agriculture, Fisheries and Environment), Canadian Mission to the EU • Martin Crowley, Agriculture Counsellor, Permanent Representation of Ireland to the European Union • Michaël Sapin, Agriculture Attaché Swiss Mission to the EU • Eero Yrjö-Koskinen Executive Director Institute European Environmental Policy
Why	To demonstrate that Scotland is an interested and engaged partner to the EU - with tangible outputs of using the insights from this discussion to inform (and support) future Scottish agricultural policy.
Supporting officials	[Redacted] SG EU Directorate, [Redacted]
Briefing contents	<ol style="list-style-type: none"> 1. Overview / Steer 2. Speaking points 3. Biographies of participants
Social Media	@ScotGovBrussels tweet – see Comms grid

1. Overview / Steer

The high level Sustainable Agriculture Roundtable is the cornerstone of your visit to Brussels. It will take place from 09:45 (09.45 arrival for a 10:00 start) to 11:15 on Wednesday 7 June. This high level roundtable "**Designing future agriculture support to deliver sustainable, regenerative farming**" will be hosted in Scotland House Brussels. The objective is to use this event, to demonstrate that Scotland is an interested and engaged partner to the EU - with tangible outputs of using the insights from this discussion to inform (and support) future Scottish agricultural policy.

The session will be moderated by George Burgess, who will open the event. He will then introduce you and ask you to set out a little on Scotland's policies and aims for this sector/event (speaking notes below). Throughout the discussion, you will have the opportunity to intervene as you wish and you can also turn to any of the officials present throughout the discussion, to support or add points as required. The aim is to have a fairly informal discussion, making it a safe space for all to speak frankly. To note this roundtable will be convened under Chatham House Rules.

The discussion will focus on the multi-dimensional dilemma of balancing food, nature, climate and rural economy priorities – key priorities for the EU, third countries and Scotland. The discussion will be based upon/supported by three questions:

1. **How do you think governments can support farmers to deliver on environmental and climate targets, whilst continuing to meet our food production needs?**
2. **What are the challenges to this – and any ideas/tips to overcome them?**
3. **Looking ahead any ideas for future collaboration between Scotland and your organisation/country on these issues.**

2. Speaking points [532 words / circa 3-5 minutes]

George Burgess will introduce the roundtable and participants and then ask you to make opening remarks, for which you may want to draw on the following speaking note:

- Very happy to be here in Brussels during **EU Green week**. Thank you all very for agreeing to participate and for joining us here in Scotland House Brussels; delighted that we have representatives from a such a diverse range of interests.
- I am going to be brief as I really want to hear from you but I will summarise the Scottish Government's interest in sustainable agriculture, and our interest in hearing from you all today.
- **Scotland is an agricultural country**. Of the circa 7.8 million hectares that make up our land area, some 5.6 million hectares – over 70% - are classified as agricultural.

- **Agriculture is a vital part of the rural economy:** total output in 2018 was estimated at £3.18 billion; and the total agricultural workforce is estimated at 67,400 workers, making up a significant proportion (12-15%) of rural employment.
- We **deeply regret Brexit** and consider that re-joining the EU at the earliest opportunity as an independent country represents the best future for Scotland.
- But meanwhile, we remain committed to **aligning with EU laws and standards** where we can, as set out in our vision for agriculture.
- Our **vision for Scottish agriculture is a positive one, aligned to the key objectives of the EU CAP.** We published it in March last year, setting out how we will transform support for farming and food production as well as our aim to become a global leader in sustainable and regenerative agriculture.
- That vision has **farmers, crofters and land managers** at its core, as stewards of our countryside, and values their role in feeding our nation.
- However, we all accept that how they can continue to do that - and how they are supported - **needs to change in future.** And that there are both challenges as well as opportunities in that for our farmers and crofters. There is no contradiction between high quality food production and producing it in a way that delivers for climate and nature.
- So many are already leading the way, and deserve to be acknowledged for farming to produce food sustainably. Our vision makes clear that we will continue to support farmers and crofters directly so that they can capitalise on support and so that the **transition is just.**
- This is a journey, and it is not solely about the destination. I am committed to working with and listening to our industry and all who have an interest in delivering a vibrant and successful rural Scotland. **Co-design is at the centre of all that we do.**
- I will introduce a **new Scottish agriculture bill this year**, which will provide the powers and the four-tier framework to deliver on our vision for agriculture. It will be a robust, adaptive and coherent framework that has been developed with our partners to deliver on our vision.
- The **new EU CAP** is "based on a more flexible performance and results-based approach." So too, our new Agriculture Bill will focus on creating a flexible approach which will allow Scotland to adapt to changing social, economic, and environmental conditions.
- I am therefore **very interested in your perspective** on how the new CAP is going, and indeed in your different perspectives on and experience of how we can best support our farmers in the future. I will **hand back to George** and look forward to a fruitful exchange of views and ideas with you all.

4. Participant biographies

	<p>Norbert Lins MEP, COMAGRI Chair</p> <ul style="list-style-type: none">• German politician who has been a Member of the European Parliament since 2014.• Since 2019, he is Chair of the EP Committee on Agriculture and Rural Development. He is a member of the Christian Democratic Union, part of the European People's Party. <p><u>Key points / input for the debate</u></p> <ul style="list-style-type: none">• The political space in the EU is increasingly divided over nature proposals: how does he think they can reach consensus?
	<p>Robin Manning, Director, British Agriculture Bureau</p> <ul style="list-style-type: none">• Director of the British Agriculture Bureau representing farmers across the UK in Brussels with more than 30 years experience of agricultural and trade policy.• Worked for the European Commission (AGRI) 2009-2016 and lead on Agritrade policy for the Defra food and farming team until February 2020. <p><u>Key points / input for the debate</u></p> <ul style="list-style-type: none">• Impact of EU policy and legislation on farmers across all nations of UK.• Given his knowledge of both the EU and UK farming, what can we learn in Scotland from the EU?



**Raschad Al-Khafaji Director of the
FAO Brussels Office**

- A national of Austria; holds a Master of Arts in Economics from the Vienna University of Economics and Business Administration; 25 years of UN experience, joined FAO in 2003; prior to Brussels served as Special Assistant of the FAO Director-General.
- The Food and Agriculture Organization (FAO) is a specialized agency of the United Nations that leads international efforts to defeat hunger. Their goal is to achieve food security for all and make sure that people have regular access to enough high-quality food to lead active, healthy lives.

Key points for the debate


- Global outlook, food security and affordability, ending hunger, food sustainability.
- A lot of focus of course on Europe but what should we be thinking about from a global perspective – what can we learn from others and how can we best contribute towards meeting the world's food needs now and in the future?



**Tim Cullinan, Vice President COPA
COGECA (and President IFA)**

- Re-elected as one of the six vice-presidents of COPA, the representative body for farmers in EU member states.
- Tim Cullinan was elected President of the Irish Farmers' Association (IFA) in 2019 by the 73,900 Membership of the Association. He is from Toomevara, Co. Tipperary where he runs a pig enterprise, alongside a feed mill operation in conjunction with the pig farm.
- Tim has been extensively involved in the Irish Farmers' Association

	<p>over the past 15 years holding various positions.</p> <p><u>Key points / input for the debate</u></p> <ul style="list-style-type: none"> • Role of farmers in delivering nature climate targets, experience so far with new EU CAP, priorities for the future. • How can we best take farmers with us?
	<p>Laura McCambridge, Agriculture Counsellor, UK Mission to the EU</p> <ul style="list-style-type: none"> • Counsellor, Goods, Health and Environment (UK Mission to the EU) at Foreign, Commonwealth & Development Office • Laura's previous posts in the Civil Service have been in DEFRA, responsible for policy on Pillars 1 and 2 of CAP and the related preparation for Day 1 of Exiting the EU, the Home Office, as well as policy posts in Number 10 and the Cabinet Office. <p><u>Key points / input for the debate</u></p> <ul style="list-style-type: none"> • How can the UK best engage with EU and international partners to tackle food security?
	<p>Gizem Eras - Counsellor and Head of Section (Agriculture, Fisheries and Environment), Canadian Mission to the EU</p> <ul style="list-style-type: none"> • Took up post in August 2022, having previously undertaking a 5 year posting in Washington DC (also Agriculture Counsellor) <p><u>Key points / input for the debate</u></p> <ul style="list-style-type: none"> • Canada is developing a 'Sustainable Agriculture Strategy' co-chaired with industry and focussed on Soil health, Adaptation and resilience, Water, Climate

	<p>change mitigation, Biodiversity; launched</p> <ul style="list-style-type: none"> • What role is the industry and other key stakeholders playing in developing sustainable agriculture policy in Canada? • How can we encourage more women to work in agriculture (Gizem recently featured in a European Landowners Article on this topic)
	<p>Eero Yrjö-Koskinen Executive Director Institute European Environmental Policy (IEEP)</p> <ul style="list-style-type: none"> • Appointed IEEP's Executive Director in November 2022. Worked for 13 years as Executive Director of the Finnish Association for Nature Conservation, the biggest environmental NGO in Finland. • After this, Eero was the Executive Director of Green Budget Europe, a think tank based in Brussels, and the Sustainability Adviser of the Finnish Chamber Commerce. Eero has also worked at the European Parliament after Finland joined the EU in 1995. • IEEP has been closely involved in seeking to improve the environmental focus of EU agriculture policy, including the Common Agriculture Policy (CAP) since the 1980s. <p><u>Key points / input for the debate</u></p> <ul style="list-style-type: none"> • Just Transition, sustainability, CAP Strategic Plans (IEEP has produced an environmental and climate assessment of each Members State's CAP Strategic Plan).

	<ul style="list-style-type: none"> • How can we ensure a just transition as we look to deliver on climate / nature targets?
N/A	<p>Martin Crowley, Agriculture Counsellor, Permanent Representation of Ireland to the European Union</p> <p><u>Key points / input for the debate</u></p> <ul style="list-style-type: none"> • Vision (Irish vision to become a world leader in Sustainable Food Systems (SFS) over the next decade).
N/A	<p>Michaël Sapin, Agriculture Attaché Swiss Mission to the EU</p> <p><u>Key points / input for the debate</u></p> <ul style="list-style-type: none"> • Insight from the EU / Switzerland agreement on agriculture

[Redacted]

ANNEX A: Overview of our Vision for Trade

- The Vision for Trade, published in January 2021, sets out the Scottish Government's **five principles** - Inclusive Growth, Wellbeing, Sustainability, Net Zero and Good Governance - underpinning our trade decisions and relationships.
- The Vision positions our approach to trade within a broader economic, social and environmental context. It considers the strategic role of trade and how it contributes to wider governmental ambitions, in line with our National Performance Framework.
- The Vision identifies the concrete actions that the Scottish Government can take to improve the trading environment, while applying our principles. Where the relevant levers currently sit with the UK Government it identifies specific actions for it to take.
- In linking our trade policy to these principles, we can add value to Scottish goods, services and our brand, and facilitate the implementation of our three cornerstone international economy plans on exports, investment and capital.
- Trade represents 20% of Scotland's GDP and is an important economic and social lever for economic recovery.
- Russia's invasion of Ukraine demonstrates the importance of having a principles-based approach to trade. In Scotland we have sought to be guided by that approach, as we stand in solidarity with the Ukrainian people.

NSET and the Vision for Trade

- As a key economic, social and environmental lever, International trade has an important role to play in Scotland's economic recovery from the impacts of COVID-19 and EU-exit.
- No longer having access to the benefits of the Single Market increases barriers to trade at a time when supply and demand are already limited by the impacts of COVID-19, and will threaten our recovery from those impacts.
- Delivery of the concrete actions in the Vision will directly support the National Strategy for Economic Transformation's aim to strengthen Scotland's position in new markets and industries, alongside generating new, well-paid jobs from a just transition to net zero.
- By supporting wider economic, social and environmental aims, the Vision also supports NSET's ambitions for our economy to drive progress towards a fairer and more equal society, and to use the just transition to net zero as an economic opportunity.

Overview of our Export Growth Plan

- A Trading Nation (ATN) was launched in 2019 with an ambitious target of increasing international exports from 20% to 25% of GDP over the next 10 years. This would increase GDP by around £3.5bn per annum and create 17,500 more jobs with an increased tax take of around £500m per annum.
- ATN takes an evidence-led approach to set the direction on how best to grow Scotland's exports by focusing our policies and resources on the priority markets (where), sectors (what) and businesses (who) to best deliver that growth (how).
- Evidence shows that: (i) **Europe and the US are our top exporting destinations;** (ii) our export sectoral strengths are in: food & drink, energy; engineering services and manufacturing; life and chemical sciences; technology, and financial and business services; and (iii) we should refocus our support towards our top 1,200 exporters.

Our Export Growth Plan, A Trading Nation, is working to offset the barriers caused by Brexit.

- When oil and gas are excluded, Scotland's exports to the EU and beyond continue to compare favourably to the UK as a whole.
- We have seen strong growth across many exported commodities to the EU – including in machinery and transport equipment which increased by £607 million (up 33.3%), chemicals which increased by £352 million (up 28.1%) and beverages which increased by £209 million (up 15.9%).
- Brexit has not changed the fact that the EU is Scotland's single most important international trading partner and we continue to support Scottish exporters to sell their goods and services across the EU as we focus on renewing our economy through the National Strategy for Economic Transformation.

Latest statistics on exports to the EU show:

- Compared to the year ending March 2020, Scotland's annual goods exports to the EU for the year ending March 2022 decreased by 2.2% (down £360 million) to £15.8 billion. In contrast, goods exports from the UK to the EU increased by 1.0%.
- The decrease in Scotland's EU exports was driven by a 20.3% drop in exports of oil and gas. When oil and gas are excluded, Scotland's exports to the EU actually increased by 19.4% as a result of stronger performances in EU exports of most other commodities.
- The largest value increases in Scotland's EU exports were in machinery and transport equipment which increased by £607 million (up 33.3%), chemicals which increased by £352 million (up 28.1%) and beverages which increased by £209 million (up 15.9%).

Scotland Food & Drink Export Plan - Background

- In 2014 the Scottish Government agreed to support the food and drink industry to achieve its export ambitions through the pioneering Scotland Food and Drink Export Plan
- Phase 2 of the Scotland Food & Drink Export plan (2019 – 2024) launched in June 2019. Worth a total £4.5m, the SDI-led plan harnesses public (60% SG, 20% SDI) and private sector (20%) resources to help the industry exploit the most significant opportunities for Scotland.
- The plan was aligned with the Ambition 2030 target from 2017 to double food exports by 2030 to £3bn.
- There are 12 in-market specialists based all over the world, recruited on the basis of their industry and market knowledge/experience, existing customer networks, and their ability to build relationships with customers in market and support Scottish companies through the practicalities of doing business in their market.
- They are supported in Scotland by a number of trade specialists who work directly with food and drink businesses on their export journey.
- Countries/regions with in-market specialists: USA (2), France, Spain, Italy, Germany, Middle East, Singapore, China (3), Japan.
- Scottish Government and SDI are undertaking a review of Export Plan delivery.
- 2022 was a record year for Food & Drink exports, worth £8.1bn (Food - £1.9bn, Drink £6.2bn).

Annex B – Brexit (including LSE report)

1 June – Mr Robertson gave evidence to the Scottish Parliament CEEAC Committee on REUL.

24 May - Research from the London School of Economics suggests that that British households have paid £7bn since Brexit to cover the extra cost of trade barriers on food imports from the EU, pushing up bills by an average of £250.

24 May – SG lodges a supplementary Legislative Consent Memorandum on the UKG’s REUL Bill, in light of amendments to the Bill, reaffirming SG’s fundamental opposition.

10 May – UKG confirm major amendment to REUL Bill at Lords Report stage, removing automatic sunset of REUL at end of 2023. Instead, only REUL listed in the Bill will sunset.

24 Mar – Windsor Framework is adopted by UK and EU, and TCA Partnership Council

EU STRATEGY & ALIGNMENT

Three years on, public opinion is clear: Brexit was a mistake.

- The majority of Britons (62%) recognise that Brexit has been “more of a failure,” with just 9% calling it a success. (You Gov, May 2023).
- Recent polling shows that every Westminster constituency in Scotland agrees that Britain was wrong to leave the EU – and strikingly, only three constituencies in the whole of Britain disagree (UnHerd, 30 Jan 2023). Overall 55% of Britons believe that Brexit has had a negative impact. (Ipsos Mori, February 2023)
- Polls consistently show Scots are overwhelmingly in favour of being in the EU – a poll in January found 67% of people in Scotland saying they would have voted to remain in the EU (excluding don’t knows) (Survation, 10-12 Jan 2023) and 61% of Britons say they would vote to rejoin (UK in a Changing Europe April 2023).

Re-joining the EU at the earliest opportunity as an independent country represents the best future for Scotland. Meanwhile, we remain committed to aligning with EU laws and standards where we can.

- Our policy of maintaining EU alignment, including via the powers provided by the EU Continuity Act 2021, ensures Scottish Ministers can protect the world-class standards that Scotland shares with the EU.
- Ministers are prioritising alignment where this will enhance the wellbeing of the people of Scotland by maintaining and advancing

standards using the most relevant legislative powers. An example being the recent regulations made by the Scottish Government to incorporate WHO standards for drinking water.

- The Retained EU Law Bill significantly increases the need for Scottish Ministers to use appropriate legislative powers to protect the standards we enjoy, and report this to the Scottish Parliament.
- This proportionate and measured response means the Scottish Government is doing what it can to mitigate the damage of a Brexit Scotland didn't vote for, minimise divergence with the EU, and ease Scotland's eventual return.

RETAINED EU LAW (REUL) BILL & DEREGULATION

The Retained EU Law Bill is damaging legislation that needlessly puts at risk vital protections gained by the people of Scotland over almost 50 years.

- The UK Government's Retained EU Law Bill is still reckless legislation – despite the U-turn to remove the automatic sunset of REUL at the end of this year.
- Vital protections remain at risk, and UK Ministers can still act in devolved areas without a requirement for consent from Scottish Ministers or Parliament. This is unacceptable, and why we continue to call for the Bill to be withdrawn.
- The UKG gave the Scottish Government and Parliament less than one working day to give consent to their changes to the Bill. I wrote to Kemi Badenoch last week to make clear the increasing disrespect the UKG is showing for the devolution settlement.
- For these reasons, the Scottish Government lodged a supplementary Legislative Consent Memorandum on 24 May, recommending the Scottish Parliament withhold consent despite UKG changes.
- **Along with the Welsh Government, we have repeatedly asked for a statutory consent requirement to be put on the face of the Retained EU Law Bill. The UK Government has consistently refused to do so, without explaining why.**
- This will allow them to legislate in devolved areas without consent, agreement, or scrutiny by the Scottish Parliament.

It is clear that the UK Government has no intention of respecting the views of the devolved legislatures, or the devolution settlement more broadly.

- The Scottish Parliament voted on 23 February to withhold legislative consent for the Bill. The Constitution, Europe, External Affairs and Culture Committee highlighted "*deep and wide ranging concerns*"

about the Bill – concerns which the Scottish Government shares and has raised repeatedly since its introduction.

- On Friday 19 May, UK Ministers wrote to Scottish Ministers seeking legislative consent for recent amendments. But on Monday 22 May – three days later – the Lords Bill Minister, Lord Callanan, said the UK Government: “*intend to proceed with the Bill without their consent*”, in reference to the devolved legislatures.
- Scottish Ministers lodged a supplementary Legislative Consent Memorandum yesterday, despite this, reaffirming our fundamental opposition to the Bill.

ECONOMIC IMPACT OF BREXIT

Brexit has caused economic devastation to Scotland, and the UK.

- The UK’s economic performance compared to other major economies is lacklustre thanks to Brexit.
- Analysis by the Financial Times shows that UK’s export volumes have grown the least in the G7 since Brexit.
- What’s more, in April the UK had the joint highest inflation rate in the G7. This is not just down to the war in Ukraine - the latest analysis by the London School of Economics, Centre for Economic Performance shows that Brexit has driven a £250 pound increase in household food bills, equivalent to an increase in food prices of eight percentage points since 2019.
- Research by the Centre for European Reform has found that the UK’s GDP was 5.5% lower by the second quarter of 2022 than if Brexit had not occurred. It also found that UK investment was 11% lower and trade 7% lower than without Brexit.
- Businesses in Scotland are feeling the effects – of the Scottish businesses facing challenges with exporting in April, 44% name leaving the EU as the main cause.
- In services the Times reported that, as of 2022, 7000 jobs in the financial sector had moved to the EU. Additionally professionals in areas such as accounting and law now struggle with mobility and mutual recognition of professional qualifications rules which had previously been handled through freedom of movement.
- **The food and drink sector in Scotland and across the UK has borne the brunt of the hard Brexit pursued by the UK Government and which has led to disrupted supply chains and/or created new barriers to trade.**

- Firms have likely passed most of the higher costs, arising from increases in non-tariff barriers, for example, on to consumers, leading to a knock on impact on food prices.
- Recent research from the London School of Economics, Centre of Economic Performance suggests that British households have paid £7bn since Brexit to cover the extra cost of trade barriers on food imports from the EU, pushing up bills by an average of £250 which disproportionately impacts low income households who spend a greater proportion of their income on food.
- We are all paying a high price for a Brexit that Scotland did not vote for – and new evidence suggests that Brexit is responsible for a third of food price inflation here.
- We have consistently called for the UK Government to provide additional support to people with the cost of living crisis – but the Chancellor has failed to deploy the full range of powers available to him to make a real difference to people’s lives.
- Many Scottish food industries are also suffering from lower exports to the EU – including a 38% fall in fruit and vegetable exports between 2019 and 2022.
- Similarly, food imports from the EU into Scotland have slowed significantly in the first 6 months of 2022, down 22%. This slowdown is particularly acute for fruit and vegetables, down 51%, and for fish and seafood, down 67%.
- Mike Park, Chief Executive of the Scottish White Fish Producers’ Association, said of the Scottish fishing industry **[QUOTE]**: “*We were the poster boys, we wanted out. But a lot have now reassessed their enthusiasm for Brexit, because **it has delivered nothing**. It has left some **very negative legacies** and hasn’t provided any of the positives we were promised.*” (31 Jan 2023)

COSTS OF BREXIT

It is clear that the costs of Brexit outweigh any costs of EU membership.

- In March, the Office for Budget Responsibility repeated their expectation that the UK’s GDP will be 4% lower in the long run due to Brexit. Every year, this equates to around £100bn in lost output, and around £40bn in lost public revenues – Scotland’s population share of this is around £3bn.
- Between 1973 and 2019, the UK contributed £225 billion to the EU budget.

- On this basis, over 3 years the UK will have lost more in GDP than it contributed over 46 years – with none of the benefits of EU membership to show in return.

Scotland is losing out on hundreds of millions in EU funding due to Brexit.

- The UK Government promised that its UK Shared Prosperity Fund would replace, in full, the EU structural funding lost to Scotland after Brexit. But it has only allocated £212m to Scotland over a three-year period, when EU funding would have been worth around £549m over three years – a shortfall of £337m.
- Scotland has lost access to the €26bn Erasmus+ scheme, due to the decision of the UK Government not to participate. Its new Turing Scheme is delivering less funding: under Turing in 2022/23, Scotland secured £9m for 30 projects; under Erasmus+ in 2020, Scotland secured €26.4m (around £22.7m) for 109 projects.
- Scottish rural communities have lost access to the Common Agricultural Policy, and the UK Government's proposed rural funding provides insufficient budget to replace EU funding levels lost to Scotland – between 2021-22 and 2024-25, Scotland is set to lose out on approximately £93m.
- Scotland is also losing out on access to the €6.1bn European Maritime, Fisheries and Aquaculture Fund. The UK Government provided Scotland only £14m in marine funding for 2021-22, compared to £150m in EU funding and associated indirect assistance that was available to Scotland between 2014 and 2020.

HORIZON EUROPE RESEARCH PROGRAMME

Agreement on the Windsor Framework clears the path for talks to resume on UK association to Horizon Europe.

- Brexit has put UK access to the €96bn Horizon Europe programme at risk. Scottish organisations secured around €100m per year under the prior Horizon 2020 programme – and around €870m in total between 2014 and 2020.
- Scottish Ministers have been clear consistently that association is a matter of significant importance to Scotland and the best option for our nation and sector.
- We welcome the news that negotiations have now restarted with the EU, and we urge the UK Government urgently to make the most of this opportunity.

ERASMUS+ / SCOTTISH EXCHANGE PROGRAMME

The UK Government's disappointing decision not to associate to Erasmus+ currently prevents Scotland from participating fully in its own right.

- The programme had a major impact in Scotland, with proportionally more students from Scotland taking part in Erasmus than from any other country in the UK, and proportionally more EU students came to Scotland on Erasmus than to anywhere else in the UK.
- The UK Government replacement Turing Scheme fails to match the breadth and scope of Erasmus+. It offers no provision for inward mobility to the UK, nor does it offer any provision for staff inward or outward mobility.
- We are working with stakeholders on the shortfalls of the Turing programme and ways to address those.

LABOUR SHORTAGES

Although Scotland's labour market has performed strongly, Brexit has contributed to labour shortages and recruitment challenges that have impacted the performance of key sectors and the Scottish economy.

- Many EU nationals have left Scotland (and the rest of the UK) since the UK left the EU, during a period that has coincided with the pandemic.
- The latest results from the Business Insights and Conditions Survey indicate that the reduction in EU nationals is still a cause of recruitment difficulties in Scotland.
- The construction, accommodation & food, entertainment & recreation, and professional, scientific & technical activities sectors have been disproportionately affected, according to the analysis.
- Skills shortages may be felt particularly acutely in rural areas, whose economies are often dependent on sectors such as construction, agriculture, tourism and hospitality and fisheries – all of which are experiencing sectoral shortages.
- After Brexit EU citizens working in hospitality fell from approximately 12% of the workforce to approximately 5%. Kate Nicholls, chief executive of UKHospitality, explains: "Like the rest of the economy, you're seeing record vacancies. We don't have enough labour," [British workers are filling roles] "not as rapidly or as comprehensively as we'd like to have seen".

ANNEX C - FOOD SECURITY AND SUPPLY

27 May 2023 Media reports PM proposing voluntary price cap on basic food items. British Retail Consortium: *'This will not make a jot of difference to prices'*

19 May 2023 Cab Sec letter to PM, need more information on UK summit announcements

16 May 2023 UK farm to fork summit, announcing package of support for farming and food; NFU: the government had *"put food security on a par with energy security....a big step forwards."* Lea Valley Growers' Association: *"no more than a PR stunt"*

15 May 2023 CMA finds evidence that fuel margins have increased, particularly for supermarkets, not satisfied with level of engagement from all supermarkets; now investigating grocery sector to see if competition failure is contributing to higher prices.

25 Apr 2023 EU Agriculture Committee agrees resolution 'Ensuring food security and long-term resilience of EU Agriculture', call for new plan to strengthen food security & strategic autonomy

Mar 2023 Food Security Unit created

Jun 2022 Taskforce report published

Mar 2022 SG establishes Short Life Food Security and Supply Taskforce bringing together government and industry to monitor and respond to any potential disruption to food security and supply resulting from the impact of the ongoing conflict in Ukraine.

TOP LINES

While we cannot be complacent (as recent disruptions to fresh produce have shown) overall, Scotland remains a food secure nation. Our highly resilient supply chain has demonstrated in recent years that it is able to adapt to significant challenges like Brexit, Covid-19, and the ongoing Ukraine conflict.

- We do, however, recognise the vulnerability of supply chains to additional shocks, including for example from climate change, and the possibility of increased risk to Scotland's future food security as a result.
- The Scottish Government has created a Food Security Unit, following the 23 June 2022 recommendation of the Short-life Food Security and Supply Taskforce which I set up together with Industry to monitor possible supply chain disruption including as a result of the ongoing conflict in Ukraine.
- The new Food Security Unit will oversee the outcomes of the taskforce, monitor food system resilience, and engage widely so that Government and industry are on the front foot and able to react as quickly as possible to any future shocks, as these arise.

REPORTED PROPOSED VOLUNTARY PRICE CAP ON BASIC FOOD ITEMS

The Scottish Government cannot comment on early reports in the media about what seem to be, UK proposals and await more information.

- In the meantime, high input costs including energy, for example, have a knock-on effect on food production costs and undoubtedly contribute to overall food price inflation.
- Scottish Ministers have written repeatedly to the UK Government to urge it to take action to help address issues, like these, that are currently impacting on the food and drink sector and where it holds the levers.

UK FARM TO FORK SUMMIT

At last the UK Government has announced some measures of support for the sector at their Farm to Food Summit at Number 10.

- While we continue to seek details on these, to be able to analyse the real effect of such sweeping promises, I hope that they signify the beginning of broader recognition of the importance of the issues.

FOOD SECURITY UNIT NEXT STEPS

- **The Food Security Unit's initial focus will be to develop evidence-based systems to monitor risks or threats to the supply chain to help mitigate future shocks and impacts on food security.**
- While it is not possible to predict all impacts, enhanced monitoring enables the development of greater long-term insight into global supply chain performance, concerns and availability to improve responsiveness to potential crises.
- It is important to be systematic and evidence-based to ensure a balance between short-term and long-term considerations for Scotland's food security.

DIVERSITY OF SUPPLY

Scotland's resilience to acute food security challenges comes largely from its diversity of supply.

- Scotland's food and farming sectors have a critical role to play in this, producing food for consumption in Scotland, in other parts of the UK, and abroad.
- Our strong trade relationships are also vital, with economic resilience from exports of Scottish food and drink worth £8 billion in 2022. Our imports ensure the availability of a wide choice of food throughout the year, and that we are not reliant on any one country of origin.

AGRICULTURAL AND FOOD SECURITY

Scotland's food and farming sectors have a critical role to play in Scotland's food security, producing food for consumption in Scotland, and increasing our economic resilience through exports of food and drink worth £8 billion in 2022.

- A Food Security Unit has been created within the Scottish Government which aims to develop evidence-based systems to monitor risks or threats to the supply chain to help mitigate future shocks and impacts on food security.
While it is not possible to predict all impacts, enhanced monitoring enables the development of greater long-term insight into global supply chain performance, concerns and availability to improve responsiveness to potential crises.

FRESH PRODUCE SHORTAGES

While we are assured that the recent scarcity of fresh produce will shortly ease, we continue to seek improved resilience of supply chains for the future.

- The Cabinet Secretary for Rural Affairs, Land Reform and Islands has written to the UK Government repeatedly on these issues, including in light of these recent shortages of fresh produce.
While recognising that there are other factors linked to those shortages, the Cabinet Secretary urged the UK Government to provide more support to the sector, to address the cumulative and wider issues that have been impacting on it, and where it holds the levers to do that.

Annex D - Task Force recommendations

[Limited meaning in isolation from the report but listed for reference]

- **A single digital gateway should be created (building on existing business support platforms) to include available supports specific to the food and drink sector. This could encourage, for example, a greater use by business of farm, sea, food and drink business review teams like Scottish Manufacturing Advisory Service, Farm Advisory Service and the enterprise agencies. This, in turn, could help support businesses to manage volatility and risk and to make efficiencies and build their resilience to supply chain changes.**
- **Industry leaders also plan to encourage businesses, within their membership, to think even more about their business models, costs/think about the market, consider their resilience and to direct them to the single digital gateway.**
- **While recognising that pricing agreements between retailers and producers are commercially sensitive, and that the Scottish Government cannot intervene, the Scottish Government and Food Standards Scotland will seek to open engagement with the Groceries Code Adjudicator, in the first instance, and the Competition and Markets Authority. The intention would be to ask them what scope they have to seek assurance and assess whether current behaviours in the food supply chain are working in the long-term interests of consumer choice, food security and retailers. Such a review would provide important assurance to consumers and industry alike.**
- **To encourage the UK Government also to look at how the "fair dealing" powers in their Agriculture Act 2020 powers, and which the Scottish Government supports, might be used more broadly to ensure fair treatment of agricultural producers.**

- That the Scottish Government and industry would continue to work together to support the sector recognising the ongoing global turbulence. Consideration will be given to the Taskforce meeting perhaps two more times this year, in a monitoring capacity. This would be to test in more detail – as necessary – issues that arise and also to monitor the delivery of agreed recommendations.
- The creation of a dedicated Food Security Unit within the Scottish Government.
- This would have a critical task in overseeing the recommendations of the taskforce. It would manage ongoing monitoring of supply chain vulnerabilities, including infrastructure, (e.g. a dedicated food security function), and linking with future food security work, as a legacy of the Taskforce. This function could be managed within Government and would mean that Government and industry would be on the front foot and able to react as quickly as possible to any future shocks, as these arise.
- Scottish Government will also seek to engage with the UK Government, the EU and other international food security structures, including European Food Security Crisis Preparedness and Response Mechanism (EFSCM).
- While more consideration could be given to how policy and legislation, affecting food production and practice are assessed, this should be explored in the context of future food security work.
- That the Scottish Government should write further to the UK Government to press it again to consider a range of critical issues to support the sector. These include (while not an exhaustive list) writing to the UK Government to ask it to:
 - address critical infrastructure issues, CO2 and fertiliser, for example;
 - make emergency changes to the UK immigration system to combat acute post-Brexit skills shortages exacerbated by the pandemic;

- **address our calls for further action on the soaring price of fuel and energy; and to**
- **use the most effective tax levers to help alleviate the increased burden households are facing.**

Annex E - Relevant facts and figures – updated 12/04/2023

Farming and Food Production

Food and Drink

- Our Food and Drink industry creates jobs and wealth, impacts on health and sustainability, and helps attract people to the country.
- Compared with the same quarter in the previous year, output in this sector increased by 9.1% (Q1 2021 to Q1 2022), whereas output across the economy as a whole increased by 1.0%.
- The Food and Drink growth sector accounts for 4.7% of employment in Scotland (2020), with around £15bn turnover and GVA of £5.4 billion (2020).
- Overseas exports of Scottish food and drink were valued at a record £8.1 billion in 2022, up £1.9 billion (+30.6%) compared to the same period in 2021 (source HMRC)
- Exports to the EU stood at £2.8 billion in 2022 (£1.2bn food & £1.6bn drink)

Trade

- Scotland is a trading nation with a long and proud exporting history. Businesses that export are more innovative, delivering a wide range of benefits to the Scottish economy and its people.
- Compared to the previous year the value of Scotland's goods exports to the EU showed strong growth, increasing by 28.6% (up £4.7 billion) to £21.1 billion in 2022. This is higher than goods exports from the UK to the EU which increased by 25.6% over the same period and the percentage increase for Scotland was larger than for any of the other UK nations.
- The increase was primarily driven by the value of Scotland's goods exports of oil and gas to the EU – increasing by £3.5 billion (43.7%) from 2022 compared to 2021.
- From 2021 to 2022 the value of EU exports of most other goods sectors also saw increases over this period, with machinery and transport equipment up £577 million (up 25.1%), drinks up £271 million (up 19.5%) and chemicals up £128 million (up 8.3%).
- Compared to 2019, the value of Scotland's goods exports to EU countries increased by 26.2% (up £4.4 billion) in 2022. This is greater than the 15.0% increase experienced by the UK and was a larger percentage increase than that of any of the other UK nations.
- Brexit has not changed the fact that the EU is Scotland's single most important international trading partner and we continue to support Scottish exporters to sell their goods and services to the EU and across the world.
- Our Export Growth Plan is undoubtedly working to offset the current barriers and challenges in the wider economic landscape.
- We will continue our strong focus on recovery and renewing the economy to beyond pre-pandemic levels through the National Strategy for Economic Transformation, and build on this progress.

Annex F - APD Briefing: Cab Sec RALRI Brussels Visit – June 2023

Contents

- Vision for Scottish Agriculture
- Future Support Framework
- Agriculture Reform Route Map
- The National Test Programme
- Agriculture and Climate Change
- Ireland Department of Agriculture suggested voluntary dairy reduction scheme media coverage
- EU Alignment
- Independence

Vision for Scottish Agriculture

Issue: Our Vision for Agriculture was published in March 2022 and outlines our aim to transform how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture.

The Scottish Government's Vision for Agriculture outlines our aim to transform how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture.

- The Vision was published in March 2022.
- Whilst remaining aligned to the key objectives of the EU CAP; we will have a robust and coherent framework to underpin Scotland's future agricultural support regime from 2025 onwards, that delivers climate mitigation and adaptation, nature restoration and high quality food production.

Scotland will have a support framework that delivers high quality food production, climate mitigation and adaptation, and nature restoration.

- 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.
- Farming, crofting and land management will continue to play an important role in maintaining thriving rural and island communities. Land management in Scotland will change as we tackle the twin biodiversity and climate crises which will present challenges and opportunities for farmers and crofters, building on their traditional leadership role in land management and stewardship.
- In acknowledgement of the reliance that urban Scotland will have on rural communities and businesses to help deliver our climate change targets and net zero ambitions, we will support farmers, crofters and local communities to ensure they can capitalise on the benefits and that there is a Just Transition.

There is no contradiction between high quality food production and producing it in a way that delivers for climate and nature.

- The principles on supporting farming were a clear point of agreement when the Scottish Government signed the historic co-operation agreement ("the Bute House Agreement") with the Scottish Green Party.
- The vision had been shared with the Agriculture Reform Implementation Oversight Board (ARIOB), which has been established to co-develop new proposals for sustainable farming support.
- A new Scottish Agriculture Bill will be brought forward in 2023 to replace the Common Agricultural Policy (CAP) and deliver on the vision.

Last Updated by: [Redacted]

Date: 17 May 2023

Q&A

Q. What are you doing to safeguard food production in the Vision?

There is no contradiction between high quality food production and producing it in a way that delivers for climate and nature, which is why we are intentionally bringing forward a revised framework which will enable us to focus on delivering the key priorities of our Vision, sustainable food production, reduced emissions.

Q. Will the conditionality measures proposed allow for the confidence of food producers to be maintained?

Our Vision for Agriculture outlines our aim to transform how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture. This commitment sits at the heart of a robust and coherent framework to underpin Scotland's future agriculture support regime from 2025 onwards. High quality, nutritious food locally and sustainably produced is key to our wellbeing – in economic, environmental, social and health terms.

While the Route Map does not yet answer all question, it provides a clear set of programme dates to explain when current schemes will transition or end, and when more information will become available. It also sets out the Framework diagrams which were first published as part of the Agriculture Bill Consultation that outline what future support will look like. In particular, the Base Tier of support is aimed at providing financial certainty farmers and crofters engaged in food production and actively managing land. As we transition to the future, I reiterate my previous commitments that there will be no cliff-edges in support and we will continue to develop the details with our farmers and crofters.

Future Support Framework

Issue: To deliver the ambitions set out in the Scottish Government's Vision for Agriculture, published in March 2022, Scotland will have a support framework that delivers high quality food production, climate mitigation and adaptation, and nature restoration.

The Future Support Framework proposes mechanisms should be incorporated into the new Agriculture Bill to enable conditional payments under 4 tiers: Base, Enhanced, Elective, and Complementary.

- The Framework diagrams were first published as part of the Agriculture Bill Consultation 'Delivering our vision for Scottish agriculture – proposals for a new Agriculture Bill' in August 2022.
- A phased transition approach to the new Future Support Framework is outlined in the Route Map.
- We will work with the sector to adapt and improve this framework over time to maximise the benefit we can achieve. We will incorporate what we learn into future versions of the framework, such as new best practice, improvements in technology, evidence on climate impacts and how well the industry is performing against targets so Scotland's farmers, crofters and land managers continue to be supported.

Tier 1 Base Payment and Tier 2 Enhanced are direct payments.

- **Tier 1 Base Payment** will provide an element of financial certainty for farmers and crofters engaged in food production and actively managing the land. Receiving this support will require meeting what will be called essential standards (e.g. Greening, Cross Compliance, Statutory Management Requirements, etc.).
- **Tier 2 Enhanced** will support businesses while they do their part to deliver Scotland's climate and biodiversity targets, building on the standards established in Tier 1. The enhanced tier goes a step further than Tier 1 and will focus on measures that will reduce greenhouse gas emissions and restore and improve nature. Eligibility is dependent upon successfully undertaking Tier 1 and demonstrating contribution towards the Tier 2 requirements.

Tier 3 Elective and Tier 4 Complementary are indirect payments.

- **Tier 3 Elective** will support individuals, co-operatives, or groups to increasingly manage land more sustainably. This tier of support will focus on funding targeted actions for climate change or nature restoration. This could be specific to a particular species or habitat, support conversion to alternative forms of agriculture such as organic production, encourage innovation and provide supply chain support.
- **Tier 4 Complementary** will complement the funding we are providing elsewhere with access to continuous professional development (CPD). This tier will focus on providing applicants with the skills and advice required to uptake the suite of management options, new practices and innovation under Tiers 1-3.

Last Updated by: [Redacted]

Date: 17 May 2023

Q&A

Q. Under Future Support Framework it references New Conditionality in 2025– what does this actually mean? Is there any examples what farmers may need to do?

From 2025 support will be conditional on meeting essential standards to ensure appropriate activity, climate, biodiversity and business efficiency outcomes are achieved as well as safeguarding animal health and welfare and worker rights.

Greening, Cross Compliance requirements (Good Agricultural and Environmental Conditions (GAECs) and Statutory Management Requirements (SMRs)) and the completion of a Whole Farm Plan are currently being considered as part of essential standards but no decisions have been taken on what will be included.

The route map sets out the key dates for when more information and guidance will be made available.

Q. New conditions will be introduced to Voluntary Coupled Support from 2026 but what in what format will VCS be delivered? Will SSBSS and SUSSS continue?

New conditions will be introduced to Voluntary Coupled Support in 2025 making this support conditional on meeting clearly defined essential standards. The schemes are expected to continue in 2026 but may be delivered differently. Consideration is still being given to how this type of support will be delivered from 2027.

Q. Will LFASS continue beyond 2025?

This scheme is expected to continue to 2026, however, we are working with the agriculture industry to consider how best to deliver this type of support under the new framework. Changes may be introduced from 2025 to support the transition towards a more economic and sustainable model for the sector. Consideration is still being given to how this type of support will be delivered from 2027.

Q. What testing is planned to carry out of the proposed new tiered system of agricultural support, prior to its full roll-out?

The Scottish Government is committed to a service design approach to policy making involving user-centred co-development. Appropriate testing and measurement will be applied at each stage of development and following implementation of measures to evaluate their ease, cost and impact against the outcomes of the Scottish Government's Vision for Agriculture.

Examples underway this month include testing the [list of measures](#) published on 10 February directly with farmers who engaged in the [Testing Actions for Sustainable Farming survey](#). This is being done through interviews conducted by professional researchers to understand how stakeholders view the measures and their applicability within future agricultural support mechanisms as well as areas for improvement.

Agricultural Reform Route Map

Issue: The Agricultural Reform Route Map was published in February 2023 and outlines what information and guidance the sector can expect from 2023-2025 and when it will be available.

The Route Map was published in February 2023 and sets out the timescales for information and interaction with the agricultural industry.

- It follows the Parliamentary Statement on “Pathway to Reform – a Phased Transition for Implementation of Reformed Rural Support” in November 2022.
- Through this publication we hope to give greater clarity and confidence to the agriculture industry on key dates, the various measures being proposed, and support that will be available to prepare the agriculture industry for implementing these changes;
- Whilst the Route Map does not yet answer all the questions about the new support framework or provide the detail of how measures will be applied and what applicants will be paid, it does provide a clear set of programme dates to explain when current schemes will transition or end, and when more guidance, support and information will become available;
- We will continue to work on the Future Support Framework and engagement with the sector through representative bodies and a cohort of individual farmers.
- The existing framework of support will continue in 2023 and 2024 to provide stability to Farmers and Crofters.

From 2025 new conditionality will be delivered under existing powers for the 2025 Single Application Form calendar year.

- New conditions will be applied to some existing schemes to deliver on our commitment to integrate enhanced conditionality on half of all funding by 2025.
- The current Region Model is planned to remain in place in the early stages of the transition. However, it will be reviewed to ensure that Tier One Base is fit for purpose for the future.

From 2026 powers from the new Agriculture Bill will be used to launch the new Enhanced Payment.

- The Enhanced Payment is considered to be the key mechanism to incentivise farmers and crofters to undertake actions to deliver positive outcomes for climate and for nature. Co-development of this element will be prioritised through ‘Testing for Sustainable Farming’.

From 2027 we will seek to deliver further elements of the Future Support Framework, including Elective and Complementary support.

- These may build on current schemes and services like the Agri-environment and Climate Scheme and Farm Advisory Service.

Last Updated by: [Redacted]

Date: 17 May 2023

Q&A

Q: What will future support look like?

In the future at least half of all funding for farming and crofting will be targeted towards outcomes for biodiversity gain and a drive towards low carbon approaches to improve the resilience, efficiency and profitability of the sector. The route map sets out the framework diagram, the phased approach to transition and the impacts on existing schemes during the transition. While it doesn't answer all questions as yet, it provides key dates when more information and guidance will be available.

Q. Why is there no detail yet on the final schemes and when will that be available?

This route map sets out the proposed timescales for information and interaction with the agricultural industry. As we continue to make progress with the Agriculture Reform Programme there will be further opportunities to share key information with farmers, crofters and landowners to help them plan and prepare for change.

Q. What will farmers and crofters be expected to do under the whole farm plan?

Whole Farm Plans were put forward as an idea by the Farmer-led Groups and currently being considered as a tool to support businesses to think about if their activities are sustainable, efficient and resilient. No decisions have been taken on what they will include or how it can best be used to deliver the Vision. The approach will be co-developed with industry, including the ARIOB, to ensure it is of benefit to farmers and crofters and further detail is expected to be communicated later this year.

Q. Does everything change in 2025?

There will be a phased transition approach to introduce new conditionality on the present BPS from 2025 and maintain the present three region model at the outset of reform process. The Tier 2 Enhanced Support will launch in 2026 followed by Tier 3 Elective and Tier 4 Complementary from 2027. This will allow BPS to evolve to the future Tier 1 Base Payment from 2027. The existing framework of support will continue in 2023 and 2024 to provide stability to Farmers and Crofters.

Q. When will current schemes end?

Policy development is underway and so there may be changes to the phased approach that impacts decisions on particular schemes. However, the Route Map outlines when schemes are likely to change or end.

Q. What support is available to help the sector prepare?

Preparing for Sustainable Farming (PSF) is already helping businesses prepare for these changes with support for conducting carbon audits and soil sampling, support for animal health and welfare activities and access to herd data for Suckler beef

producers through MyHerdStats. Support is available to directly support farmers to deliver a list of animal health and welfare measures.

If eligible businesses can claim standard costs up to a maximum of £1,250 over two years. This is in addition to the support available under PSF farmers and crofters can access the Agri-Environment Climate Scheme, Forestry Grant Scheme, Peatland ACTION and the Nature Restoration Fund for funding to deliver activities aimed at improving biodiversity and climate.

Between 1 January 2023 and 24 April 2023 there have been 990 preparing for sustainable farming claims received.

The National Test Programme

Issue: The National Test Programme will support and encourage farmers and crofters to learn about how their work impacts on climate and nature, including offering financial support to carry out carbon audits, soil testing and nutrient management planning, establishing a clear baseline and options for action for all who participate.

The National Test Programme supports farmers and crofters to play their part in Scotland becoming a global leader in sustainable and regenerative agriculture and to learn about how their work impacts on climate and nature.

- The National Test Programme builds on the work of the Farmer Led Groups, and with the input and oversight of ARIOB, is based on the principles of collaboration and co-creation that are the foundation of a Just Transition.
- It includes offering financial support to carry out carbon audits, soil testing and nutrient management planning, establishing a clear baseline and options for action for all who participate.
- It will also provide national data and insights from the sector that will help inform future conditionality.

The first track of the National Test Programme ‘Preparing for Sustainable Farming’ began in April with funding for conducting Carbon Audits and Soil Sampling.

- This was followed in December 2022 with the launch of MyHerdStats and in February 2023 with support for Animal Health and Welfare activity.
- It is designed to help farmers and crofters future proof their farms, to create environmental and economically resilient businesses and to start to prepare now for future conditionality.

‘Testing Actions for Sustainable Farming’ will design, test, improve and standardise the tools, support and process necessary to reward farmers, crofters and land managers for the climate and biodiversity outcomes they deliver.

- This will create a robust understanding of how new conditions or activities could be applied to future support, and ensure delivery of environmental outcomes in a way that supports sustainable businesses.
- The first phase of TSF completed in August 2022 with a survey of 977 participants (803 farmers, 174 crofters), providing invaluable data for the next phase of testing actions.
- The next phase of Testing will follow the publication of a list of proposed measures in February 2023 with further research with 60 farming businesses.

Last Updated by: [Redacted]

Date: 17 May 2023

Q&A

How will this help address the agricultural industry's climate change obligations?

From 2025, the climate and biodiversity performance of businesses will determine the level of agricultural support payments the National Test Programme will ensure the right tools and support will be in place.

The National Test Programme will support and encourage farmers and crofters to learn about how their work impacts on climate and nature. We will be supporting farmers to carry out carbon audits and nutrient management plans and work with a focus group of farmers and crofters to understand how sustainable farming can be supported and rewarded in future. We are also going to put in place livestock data and performance systems to improve both business and emissions performance.

Q. What's the current status of the Programme?

The second phase of the Programme is well underway and will include developing a Conditionality Test programme, working with a cross section of around 1500 farmers and crofters to learn from how it can work effectively and appropriately.

Agriculture and Climate Change

ISSUE: Agriculture is an emitter of greenhouse gases and must play its role in meeting the net zero target, while also delivering wider environmental outcomes.

Live Issues:

The UK Climate Change Committee (CCC) published their Scottish Progress report on 7 December 2022 which contained 27 recommendations for agriculture and land use.

- We are carefully considering the CCC recommendations and will respond in due course.

Top lines

- As we transition to net zero by 2045, we will all need to adapt and change the way we do things.
- To deliver the ambitions set out in the Scottish Government's Vision for Agriculture, published in March 2022, Scotland will have a support framework that delivers high quality food production, climate mitigation and adaptation, and nature restoration.
- We published an Agricultural Reform routemap on 10 February 2023. Which sets out the timescales to share more information with farmers, crofters and landowners to help them plan and prepare for changes which will come into force from 2025.
- We have committed to reduce emissions from agriculture by 31% from 2019 to 2032. Scotland's climate targets are, rightly, highly ambitious and it is better that this Parliament has stretching goals rather than easy ones.
- We value Scotland's farmers, crofters and land managers for their part in cutting emissions and addressing climate change. They are already making significant changes to their practices to mitigate against climate change.
- We are committed to integrating enhanced conditionality on at least half of all funding by 2025, then from 2026 we intend to introduce a new mechanism which will see future support payments linked to the contribution farmers and crofters make in delivering our climate and nature objectives. This will ensure the right tools and support are in place when, from 2025, the climate and biodiversity performance of businesses will determine the level of agricultural support.
- Preparing for Sustainable Farming under the National Test Programme (NTP) launched in Spring 2022. Central to this track is the provision of funding for conducting Carbon Audits and Soil Sampling Testing. Testing Actions for Sustainable Farming under the NTP was a national pilot to develop and test actions that may become a requirement of direct support from 2025 onwards. It began in July 2022 with a survey to test awareness, attitudes, and outcomes in sector. Over three years (until 2025) the NTP will deliver Scottish Government investment of up to £51 million.
- We continue to work collaboratively with our agricultural industry, environmental bodies and renowned scientific partners to consider the complex issues around multi-faceted land use and decisions that impact on them.
- We firmly believe that there is no contradiction between high quality food production and producing it in a way that delivers climate adaptation and mitigation and supports nature restoration.

Climate Change Plan Progress

- The next Climate Change Plan, due in draft this year, will include policies and proposals to ensure the agriculture sector continues to play its part in meeting our ambitious net zero national target.

Greenhouse gas emissions relating to agriculture, 2020

- Annual emissions envelopes for the agricultural sector reduce year on year to 5.3 MtCO₂e in 2032. The emissions envelopes for agriculture, requires a reduction of 2.3 MtCO₂e by 2032, or 31%, with a reduction of 29% by 2030.
- The agriculture sector is the fourth largest source of emissions, with annual emissions in 2020 of 7.4 MtCO₂e (18.4% of all emissions) and emissions from Agriculture fell by 2.9% (0.2 MtCO₂e) in 2020 from 2019, and overall by 14.9% (1.3 MtCO₂e) from the 1990 baseline figure.

Adaptation

- To minimise its impacts, our farmers and crofters need to adapt to climate change. That means both protecting agricultural businesses from the impacts of climate change and ensuring our farmers and crofters can take advantage of any opportunities that arise.
- We provide advice and support to our farmers and crofters through initiatives such as Farming for a Better Climate and the Farm Advisory Service which offer information on the likely impacts of climate change for agriculture and adaptation actions to mitigate those impacts.
- We are now developing the next Scottish Climate Change Adaptation Programme for publication in 2024 which will set out a range of actions that can further build our agriculture sector's resilience to climate change.

Just Transition in Agriculture

- Landscapes will evolve as we respond to climate change. Our farmers, crofters, land managers and communities must have access to the benefits, both economic and social, that these changes will bring.
- The policies in the next Climate Change Plan will be developed in line with just transition principles.
- We have also committed to publish a draft Land Use and Agriculture Just Transition Plan alongside the new Climate Change Plan.

Existing support mechanisms and initiative:

- We continue to support and invest in our farmers and crofters taking action on climate change through a range of initiatives including Farming for a Better Climate, Scotland's Farm Advisory Service, the Agricultural Transformation Fund, the Knowledge Transfer and Innovation Fund, the Agriculture, Biodiversity and Climate Change network and the Integrating Tree Network.
- Through these initiatives we continue to encourage the uptake of low carbon farming practices by offering financial support and providing practical advice and guidance, skill learning and demonstrating the climate and business benefits of taking action.

Last Updated by: [Redact]

Date: 28 April 2023

Agricultural Climate Change – Hot Issue

CCC CRITICISM ‘Scottish Progress Report’ on 7 December 2022: Detail on low-carbon agriculture policy is needed urgently. It is not clear how the emissions targets set by Scottish Ministers in this area can be delivered in the absence of new policies.

- Our Vision for Agriculture outlines our aim to transform how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture.
- We are supporting our farming sector to adopt low carbon farming practices through initiatives and programmes such as National Test Programme, the sustainable Agriculture Capital Grant Scheme, the Agri-Environment and Climate Scheme and the Knowledge Transfer and Innovation Fund.
- This includes over £50m of direct support to the farming sector in the last year alone to help tackle the climate and nature emergencies and to produce food more sustainably.
- Our existing agriculture support schemes will be used to introduce stricter conditions on payments from 2025, targeting measures on climate change and biodiversity.
- We are committed to helping the industry farm more sustainably and will reward farmers and crofters who deliver emissions reduction and help us to restore and enhance nature in our farmed landscape through our Enhanced payments.
- This key aspect of the future agriculture framework – to incentivise farmers and crofters to undertake actions to deliver positive outcomes for climate and for nature - will be launched in 2026. Once we have established the Enhanced mechanism, we will seek to deliver further elements of the Future Support Framework.
- We published an Agricultural Reform route map on 10 February 2023 which sets out the timescales to share more information with farmers, crofters, and landowners to help them plan and prepare for change.
- The next Climate Change Plan, due in draft this year, will include policies and proposals to ensure the agriculture sector continues to play its part in meeting our ambitious net zero national target.

Chris Stark, Chief Executive of the Committee on Climate Change – Rural Affairs and Islands Committee 1 March 2023 *“It is therefore a hugely sensitive area and we recognise that, so we have tried—rather than it being an attack on farmers as, sadly, it is sometimes portrayed—to discuss the matter in using language about opportunities for the farming sector, which is important”*

“Farmers themselves are the core of the solution, but we have to give them the tools and the incentives to do things in the right way. That is to step away slightly from the livestock question, but we can, with the right incentives, free up farmers to do a wide range of things in different ways, and they could achieve those things more easily with a set of good proposals’.

General Q&A

Q: What are we doing to address carbon emissions in agriculture?

- **A:** From 2025, the climate and biodiversity performance of businesses will determine the level of agricultural support payments and we have announced the National Test Programme (NTP) to ensure the right tools and support will be in place.
- The NTP supports and encourage farmers and crofters to learn about how their work impacts on climate and nature. We are supporting farmers to carry out carbon audits and nutrient management plans and work with a focus group of farmers and crofters to understand how sustainable farming can be supported and rewarded in future. We have put in place livestock data and performance systems to improve both business and emissions performance.
- The Agricultural Reform Route Map was published in February 2023 and outlines what information and guidance the sector can expect from 2023-2025 and when it will be available. While the next Climate Change Plan, due in draft this year, will include policies and proposals to ensure the agriculture play its part in meeting our ambitious net zero national target.
- We will continue to communicate to farmers and crofters the benefits along with those of precision farming and nitrogen use efficiency in order to achieve further reductions in GHG emissions, through the Farm Advisory Service, Farming for a Better Climate Initiative and the Knowledge Transfer and Innovation Fund.

Q – Progress on the Outcomes (Policies and Proposals) in the CCPu is slow

- **A** - We have committed to reduce emissions from agriculture by 31% from 2019 to 2032 and the Climate Change Plan Update sets out a broad range of policies to transform Scottish agriculture and address climate change. This recognises that a balance must be found to ensure greenhouse gas reductions can take place while Scotland continues to produce high quality, sustainable food.
- Scottish farmers and crofters are making significant changes to their practices to mitigate against climate change (for example reducing ploughing, improving soil quality, increasing biodiversity and planting woodland), and we will continue to communicate and demonstrate these benefits.
- We have committed to bring forward a draft of the next Climate Change Plan in this Parliament. It will include policies and proposals to ensure the agriculture sector continues to play its part in meeting our ambitious net zero national target.

Q. Progress from the Scottish Government on Just Transition and adaptation in relation to agriculture isn't happening quick enough

- The multi-dimensional nature of farming, crofting and land use means that this is complex and challenging. We need to take time to properly consider these issues and work with stakeholders in line with the principles of a Just Transition.
- The scale of the change necessary will present opportunities for some farmers, crofters and land managers to access new income streams and we continue to work with the industry to consider the complex issues around multi-faceted land use and decisions that impact on them. It is important that we take people with us as our land use changes and we will initiate ongoing conversations with farmers, land managers, landowners and communities, particularly those likely to be most impacted, to ensure people understand what we are doing and why.

- We want to ensure agriculture has the tools, skills and knowledge to adapt to meet future challenges as failure to adapt will result in negative impacts on Scottish agriculture.

IRELAND DEPARTMENT OF AGRICULTURE SUGGESTED VOLUNTARY DAIRY REDUCTION SCHEME MEDIA COVERAGE

PRIORITY AND PURPOSE

1. Immediate.
2. For information ahead of appearance at Rural Affairs and Islands (RAI) Committee on Wednesday 31 May 2023.

KEY POINTS

3. The Irish Government produced an internal paper exploring the concept of a scheme to support reduction of the Irish dairy herd in order to “close the gap” on
4. The Cabinet Secretary has said the Scottish Government “is not considering a cull of livestock in order to cut emissions”.
5. The agriculture sector is not on track to meet the level of emissions reductions in the Climate Change Plan update. Consideration of the emissions envelopes and extent of policy ambition to meet them are to be considered [Redacted]
6. The Scottish Government has said it intends to recognise and support improved livestock performance, as has outlined areas in which support measures will be developed. The Draft Agriculture List of Measures outlines the intention to support improving and improved livestock breeding, nutrition and health within Tier 2 of future support. Officials are also exploring reform to Voluntary Coupled Support which supports emissions reduction ambitions.

IRISH DAIRY REDUCTION PROPOSAL

7. On Tuesday 30 May 2023 the Irish Independent Newspaper published an article with the headline “Revealed: €600m budget needed to cull 65,000 cows every year for three years to meet climate goals”.
8. The article refers to an internal Irish Department of Agriculture briefing paper from late 2022 which outlines policies to “close the gap” on meeting GHG emission reduction targets. The article posits that Irish Government officials suggest that a 10 per cent reduction is required of the Irish livestock herd and that they say an exit scheme is required for the Irish dairy sector to actively manage dairy cow numbers.
9. The article suggests that Irish officials are less concerned with the Irish suckler herd, of which the briefing said “The suckler herd will reach its own equilibrium”.
10. The proposals for the reduction scheme are to displace 60,000 – 65,000 dairy cows per annum in 2023, 2024 and 2025, and proposed paying €3,000 per cow.
11. The article said the paper did also explore a suckler beef exit scheme, and it argued that diversification in to alternate land uses would be “strongly encouraged”.

SCOTTISH GOVERNMENT POLICY

12. The Scottish Government has committed to reduce emissions from agriculture by 31% from 2019 to 2032. The sector is currently not on track to meet this target.

13. During the debate on Agriculture Policy on Thursday 25 May 2023 in the Scottish Parliament the Cabinet Secretary said “I want to be absolutely clear that the Scottish Government is not considering a cull of livestock in order to cut emissions. It is not our policy to actively reduce livestock numbers. We know that we produce livestock well in Scotland, and there will continue to be a role for that in the future.”

14. The Scottish Government’s Vision for Agriculture 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, recognising that High quality, nutritious food locally and sustainably produced is key to our wellbeing – in economic, environmental, social and health terms.

15. In February 2023 the Scottish Government published the draft Agricultural Reform List of Measures which outlined areas in which the future agriculture policy would recognise and support measures which best address climate mitigation, adaptation and nature restoration. This included measures for the livestock sector such as:

- a. Improving livestock nutrition.
- b. Improving livestock health.
- c. Improving livestock breeding.
- d. Recognising uptake of methane suppressing feed products.

16. The above measures are backed up by a Scottish Government commissioned report from the ClimateXChange (CXC) centre of expertise which published a report called “Scenarios for emissions reduction targets in Scottish agriculture” in February 2023 outlining measures that the Scottish agriculture sector can undertake in order to reduce emissions.

17. The draft list of measures also outlined land use activities which would be recognised as beneficial in terms of emission reduction such as regenerative grazing and use of silvo-pastures.

18. In the Agriculture Reform Route Map the Scottish Government signalled the intention to reform Voluntary Coupled Support, in particular the Scottish Suckler Beef Support Scheme. Officials are considering reform options which are supported by the evidence provided in the CXC report.

19. The Scottish Government also funded the development of the MyHerdStats tool by SAOS which is available on ScotEID to allow cattle keepers to monitor key herd performance indicators, such as calving rates, calving intervals and heifer retention. Improving livestock performance is cited as a key factor in reducing emissions intensity.

20. [Redacted] note of 6 April laid out the current position for agriculture and climate change and the considerations that may be undertaken to meet the potential scale of emissions reductions, this could include policies that go beyond our current policy pathway [Redacted] are expected to discuss emissions envelopes across all sectors, and policies to meet those at their next meeting [Redacted]. The outcome of these discussions will then inform the next Climate Change Plan which is due to be published in draft in November.

[Redacted]

Livestock Production Policy/Agriculture Policy Division

EU Alignment and Future Agriculture Policy

Issue: In our Vision for Agriculture we commit to, where practicable, staying aligned with new EU measures and policy developments.

The *UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021* provides discretionary powers to enable Scottish Ministers to align devolved Scots law with EU legislation.

The new 2023-27 CAP was formally adopted by the EU Council on 2 Dec 2021, and has 10 broad objectives. Each Member State also has an individual CAP Strategic Plan, which explains the detail of how they will implement targeted interventions addressing their specific needs at a national level in order to deliver on the 10 broad objectives. These Strategic Plans came into effect on 1 January 2023, and at the end of the year the Commission will produce a report on the joint effort and effectiveness of these Plans.

By aligning our future policy with the objectives and policy developments of the 2023-27 CAP (where practicable), we will ensure that if Scotland has the opportunity to re-enter the EU in the future then we are in a position to do so with minimal disruption.

We remain wholly committed to maintaining strong links with the EU

- As set out in our vision for agriculture, this includes staying aligned with new EU measures and policy developments, where practicable.
- The new EU CAP will be "based on a more flexible performance and results-based approach."
- 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.
- We have been monitoring the developments around the new CAP with interest, and will continue to do so as the Strategic Plans begin to be implemented.
- As we continue to develop our future agricultural policy, we will ensure that it is measured against the policy developments and measures in the EU (as well as other obligations such as those under the WTO), and we will consider any specific alignment issues as they arise.
- This will allow us to re-join the EU at a future point with minimal disruption, if that is an option.

Contact: [Redacted]

Annex G - Independence (to note - lines taken from published papers)

Top lines:

- Evidence shows independent countries comparable to Scotland are both wealthier and fairer than the UK. With all our resources and talent, why not Scotland?
- It is the Scottish Government's view that people who live in Scotland have the right to choose how they should be governed and to decide if Scotland should become an independent country.
- The UK Parliament has passed laws that undermine devolution and threaten vital regulations in the environment, food standards and employment sectors.
- Brexit has resulted in price rises, less money for public services, fewer people to work in Scotland's economy and fewer opportunities for Scotland's businesses and people.
- In an independent Scotland, people would have the opportunity to re-join the EU – a market that is seven times the size of the UK.
- In an independent Scotland, future Scottish Governments could use the powers of independence to put the health and happiness of citizens equal to the importance of economic growth.

RALRI lines - Key points from published papers:

- **Scotland's food and drink sector added £5.8 billion to the economy in 2019.** Scotch whisky is the UK's biggest drink export, accounting for a fifth of all UK food and drink exports. Scottish salmon is the UK's biggest single food export.
- **Manufacturing (food and drink is Scotland's biggest manufacturing sector), tourism and hospitality are currently experiencing severe labour shortages** because of Brexit and the pandemic. These are all major employers in rural and island areas
- With independence the Scottish Government would have the powers to address these shortages:
 - **Independence would provide an opportunity to create a new migration system** that would allow rural and island areas and businesses to get the workers they need by regaining access to talented and committed people from across Europe and the world. Places and sectors in need of more people would be specific priorities.
 - **This government proposes setting up a Building a New Scotland Fund**, which could be used to support projects such as work to digitally

connect remote, rural and island communities, helping to reduce digital exclusion.

- **Control over company law in an independent Scotland could support the evolution of a distinct Scottish system** where companies are required to state their purpose and operate in a manner that benefits stakeholders and the environment

Annex H - Seed Potatoes

Issue: Seed Potatoes: The EU gave official notification on 28 December 2020 by publication in its Official Journal, that they will not grant permanent equivalence to GB for the import or marketing of seed potatoes. This removed both the EU and NI market for a high-quality Scottish product. The Windsor Framework announcement stated that the proposed changes to the NI Protocol would restore access to the NI seed potato market from autumn 2023, but the position with regard to the larger EU trade remains unchanged.

BACKGROUND

- While the 'Windsor Framework' announcement is a boost for Scottish seed potato producers directly affected by the loss of the Northern Ireland market as a result of Brexit, we must not lose sight of the fact that before EU Exit, the NI market represented around 2,000 tonnes annually, compared to around 20,000 tonnes to EU countries. Continues to press for EU market access for Scotland's world-leading seed potato industry therefore remains a priority.
- The EU decision not to grant equivalence has had a disproportionate impact on Scottish seed potato producers as 75% of the UK's seed potatoes are grown in Scotland and we are responsible for 80% of UK exports.
- Scottish Government has continually raised the concerns of the Scottish seed potato sector with the UK Government. The matter has also been raised through the regular Inter Ministerial Group meetings and also by engaging regularly with UK Government counterparts and with Scottish seed potato representatives.
- Scottish Government has also expressed concern that the UK Government has received equivalence applications from some individual EU Member States which would allow their seed potatoes access to the UK. We believe that it would be damaging and disrespectful to the Scottish seed potato sector if the UK Government were to approve equivalence applications from individual Member States for imports whilst there is little prospect of establishing reciprocal arrangements for exports to the EU.
- The Minister for Environment and Land Reform wrote to the UK Government Minister of State for Farming, Fisheries and Food on 24 November 2022 to again raise the range of seed potato issues affecting Scottish producers and to propose a meeting to discuss actions. A reply was received on 3 May 2023, and officials will provide advice on next steps in the light of this.

Windsor Framework implications for seed potatoes

- The Windsor Framework agreement will lift the ban on exports of seed potatoes from GB to NI, with the changes due to take effect in October 2023. GB registered growers will therefore be able to supply seed to NI registered growers, for cultivation in NI. This will reopen the grower-to-grower trade.
- Our understanding of the new arrangements is that once grown, NI seed with GB provenance could then be traded within the EU. This would be an indirect way of bringing GB varieties back into the Republic of Ireland and wider EU market, although it is unclear as yet whether this is likely to be a viable route to market.
- We also understand that growers will be unable to sell GB grown seed directly into the NI retail trade, e.g. in garden centres as small bags for home cultivation. Only GB varieties grown in NI can enter retail in NI.

Annex I - GMOs/Gene-editing/UKG Precision Breeding Act

16 May: During UK Farm to Fork Summit, UKG announces additional investment of up to around £30 million to “*unlock the potential of precision breeding*”.

24 Mar: European plant breeders’ organisation Euroseeds “*welcomes the UK’s approval of the precision breeding bill*”

23 Mar: UKG Bill receives Royal Assent and passes into law, becoming Genetic Technology (Precision Breeding) Act 2023. RSPCA expresses “serious concerns”.

25 Jan: Evidence for SG Legislative Consent Memorandum (LCM) heard by RAINE committee. Committee agree with SG recommendation to not consent to Clause 42 of Bill, which gives powers for consequential provisions, as taking powers in devolved areas. Motion refusing consent passes following debate in Scot Parl. No response from UKG to Scot Parl withholding consent.

16 Sep 22: Statistical summary of EU summer consultation on novel genomic techniques: 79% of respondents say existing GMO legislation inadequate for gene-edited plants. EU expected to propose legislative changes in July 2023.

10 Jun 22: Joint statement opposed to Bill from groups inc. RSPCA, Friends of Earth and Soil Association.

25 May 22: UKG Genetic Technology Bill introduced in UK Parl, relaxing regulations in Eng. for precision-bred (broadly gene-edited) plants and animals. Welcomed by Scot research institutes and NFUS; caution from Food & Drink Federation & Brit Retail Consortium.

TOP LINES

We want to ensure that Scotland operates to the highest environmental standards, and that we protect the strengths of Scottish agriculture and food production.

- The regulation of genetic modification is a devolved area of responsibility, and the views of stakeholders in Scotland must be central to how those regulations apply to new genetic technologies such as gene editing.
- That includes stakeholders from the scientific community, stakeholders from across the spectrum of industry interests, and crucially, consumers and the public as a whole.

EU ALIGNMENT

We have been observing the Commission’s consideration of new genomic techniques with interest and look forward to further information on their legislative proposals.

- As our biggest international trade partner, any changes in the EU may have implications for Scottish businesses. Furthermore, Scottish Government has a policy of alignment with the EU, where practicable.
- However, the views of stakeholders in Scotland must be central to how those regulations apply to new genetic technologies such as gene editing.

UKG PRECISION BREEDING ACT

- **The UK Government’s Precision Breeding Act appears likely to have a number of impacts on Scotland, including as a result of the UK Internal Market Act.**
- We are therefore considering how best to prevent those impacts and we expect the full cooperation of the UK Government in this area. The Scottish Government remains

wholly opposed to the imposition of the Internal Market Act and the constraint on the exercise of devolved powers imposed by the Act.

- Possible impacts include the potential for gene-edited products to be sold in Scotland, unlabelled and unauthorised by Scottish ministers; additional burdens and risks for Scottish exporters as a result of introducing a different regulatory definition of GM from that of key trading partners such as the EU.
- A large number of questions remain following the passing of the Precision Breeding Act and, together with the Welsh Government, we urge the UK Government to engage meaningfully across the UK, including with the public, as well as key international trading partners, in order to address the ramifications of the Act.
- Our concerns about the UK Government's approach to the Genetic Technology (Precision Breeding) Act, and its haste to change regulations without regard for devolved competence or the impact on food supply chains and consumer choice, should never be mistaken for opposition to innovation and technology, particularly in the farming sector.

TRADE

As the UK Government's Impact Assessment for the Precision Breeding Bill acknowledges, removing gene-edited products from England's regulatory regime for genetically modified organisms would mean divergence from the EU approach and as such could have implications for compliance costs and future trade.

- A number of prominent organisations, including the Soil Association and RSPCA, have expressed concern that the Bill does not in its current form protect the interests of farmers, businesses and the environment.

ANIMAL WELFARE

The Scottish Government shares concerns expressed by stakeholders, on the ability of current legislation to protect the welfare of animals developed by genetic technologies.

- These views were echoed by the Nuffield Council on Bioethics report which expressed concerns on breeding animals that can tolerate poor conditions better without apparent adverse health impacts, thereby masking the fact that they continue to live in unacceptable conditions, as well as breeding that results, over generations, in animals that have lost the physiological capacity to enjoy experiences that constitute a good life.
- It is our combined responsibility to ensure any proposals relating to new genetic technologies enable the health, welfare, sustainability, and economic benefits to be captured, whilst ensuring that the risks of potential adverse animal welfare impacts are appropriately managed and are socially acceptable. I can only urge the UK government to meet this responsibility, and allow more time for a considered conversation.

SCIENTIFIC CONSENSUS THAT GMOs/GENE EDITING SAFE

In all its policy decisions, the Scottish Government considers the scientific evidence alongside other legitimate factors.

- It is important that Scotland's position on these issues reflects the views and priorities of people in Scotland, and recognises the wider context in terms of impacts on international trade and consumer rights.

GENE EDITING FOR CHEAPER FOOD

UK Government claims around the potential of gene editing to deliver cheaper food are premature, since there are currently very few gene-edited food products on the market around the world.

- Furthermore, as the UK Government's own Impact Assessment for the Precision Breeding Bill acknowledges, divergence from the EU approach could have implications for compliance costs and future trade.
- The UK Government's refusal to commit to dynamic alignment with the EU has already led to significant trade impacts and costs for Scottish businesses.
- Scottish Ministers have written to the UK Government on numerous occasions regarding the loss to the Scottish seed potato industry of the EU export market, and yet they have made no progress in re-establishing that trade.
- We remain committed to protecting the value and reputation of Scotland's £15bn food and drink industry.

ANNEX J – Key EU Agriculture and food / related environment files

Nature Restoration Law

The Regulation would contribute to the sustained recovery of biodiverse and resilient nature through the restoration of ecosystems. This is to be implemented within the objectives of the EU regarding climate change mitigation and adaptation.

In specific terms, the proposed Regulation would establish a framework for Member States to implement effective and area-based restoration measures which should cover at least 20% of the EU's land and sea areas, and all ecosystems in need of restoration by 2030 and 2050 respectively.

With the European People's Party (EPP) having passed an internal resolution rejecting the proposal (on the basis of impact on food production), and the Agri and Peche Committees having followed suit in rejecting it, negotiations within the EP remain extremely challenging. The EPP group in the EP walked out of what was meant to be the final push on negotiations this week – ahead of a vote in the EP on the 15 June. EPP group chairman Manfred Weber said in a statement that “the proposal was bad in the first place and our concerns remain unanswered.” The EPP also reiterated its call on the Commission to withdraw its legislative proposal, arguing it will “only increase costs and insecurity for farmers, fishers and consumers.” Commissioner Frans Timmermans has said the Commission will not pull the proposal, calling on MEPs to work with what's on the table. Discussions continue ahead of the EP vote on the 15 June and Environment Council in Luxembourg.

Sustainable Use of Pesticides Regulation

The measure aims to address the limited effectiveness of the SUD in reducing pesticide use and potential risks to human health and the environment across Member States caused by significant shortcomings in the implementation, application and enforcement of the Directive.

The proposal for a Regulation also aims to increase the application and enforcement of integrated pest management (IPM), increase the use of less hazardous and non-chemical alternatives to chemical pesticides, improve the availability of monitoring data, improve the implementation, application and enforcement of legal provisions across all Member States and promote the adoption of new technologies.

New Genomic Techniques

The expected proposal for a Regulation would focus on plants and derivatives resulting from targeted mutagenesis and cisgenesis. The proposal would seek to maintain a high level of environmental as well as animal and human health protection, enable the use of NGT-derived plants to meet the goals of the **European Green Deal**, the **Farm to Fork Strategy** and the **Biodiversity Strategy**, enhance the competitiveness of the EU's agri-food sector and ensure the effective functioning of the internal market by providing legal clarity and certainty.

According to the new version of the College of Commissioners' agenda, the Commission is expected to discuss and possibly present the proposal for a

Regulation on plant products derived from targeted mutagenesis and cisgenesis in early July 2023 (though Brussels contacts suggest it could be delayed (again) until end July and that Commission are linking it to Pesticides regulation)

Industrial emissions Directive

The **proposal** would amend **Directive 2010/75/EU** (Industrial Emissions Directive; IED) and **Council Directive 1999/31/EC** (Landfill Directive) so as to introduce new industrial installations covered and stricter requirements on industrial emissions limits.

The proposal aims at building on the work done by the IED Directive which covered some 50,000 large industrial installations and intensive livestock farms in Europe that needed to comply with emissions conditions set out in the “Best Available Techniques”. In particular, it would introduce more effective permits for installations and instead of settling for the least demanding limits under BAT, permitting would assess the feasibility of reaching the best performance while also tightening possible derogations.

Packaging and packaging waste

On Food Packaging Agriculture ministers exchanged views at Council last week (30 May) on the food safety and food waste aspects of the proposed regulation, as well as sharing examples of best practice from their member states. Ministers called for a balanced approach to the proposal – stressing the importance of addressing the issue of packaging and food waste, whilst maintaining food safety. This outcome will feed into the work taking place in the Environment Council on the packaging and packaging waste regulation.

With Environment Ministers in the lead, views continue to be split between member states on the best way to approach the issue. Some of the most difficult issues are on balancing ambition, whilst ensuring food safety and providing timelines to support industry. Ambassadors met last week (w/b 30 May) to try and establish a way forward, with the Presidency putting forward new proposals – including ideas for a reduction on VAT for certain products that meet new requirements. Member states will continue technical discussions, ahead of Environment Council in June.

Geographical Indications

The European Parliament adopted its position at the start of June on the package for revisions to the EU’s geographical indications (GIs) (as per the Commission proposal from March 2022). MEPs took a different stance to the original Commission proposals – resisting changes to transfer decisions to the European Union Intellectual Property Office and removing proposed obligations for all GI products comply with the EU’s environmental, economic and animal-welfare goals. Instead proposing explain social and environmental sustainability commitments via reports – which would be made available to consumers on an EU portal. The Council has yet to reach an agreed position on the proposal, once they do so inter institutional discussions (trilogues) can begin to agree the final legislation.