





“The Scottish Government recognises the importance of domestic fertiliser production to Scotland’s farming and food production industry, which is why the Cabinet Secretary wrote to Defra in support of ensuring continued supply. We are pleased that since then an agreement has been reached by the CO2 industry so that the CF Fertilisers plant can remain open for now. We have included soil testing as a first step in our national test programme to help farmers optimise nutrient use and therefore save money on fertilisers.

“We also see opportunities to include more nitrogen-fixing crops in our pasture and arable rotations and we’ll be considering how to encourage wider use of nitrogen-fixing crops as we continue to develop the National Test Programme.

“The UK Government have reneged on its promises to fully replace EU funding – instead we face a shortfall of £95 million that otherwise could have been used to benefit our farmers and crofters.”

Thanks  
[REDACTED]

[REDACTED] (she/ her) | Senior media manager Health | Scottish Government Communications | [REDACTED] | [REDACTED] | <http://www.gov.scot>

[REDACTED, OUT OF SCOPE]

[REDACTED]

Private Secretary  
Cabinet Secretary for Rural Affairs and Islands  
2N.08  
St Andrews House  
☎[REDACTED]  
☎[REDACTED]

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**From:** [REDACTED]

**Sent:** 22 February 2022 17:39

**To:** Cabinet Secretary for Rural Affairs and Islands <[CabSecRAI@gov.scot](mailto:CabSecRAI@gov.scot)>

**Cc:** [REDACTED]; Kerr J (John) [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED];  
[REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED];  
[REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED];  
[REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED];  
[REDACTED]; [REDACTED]; Burgess WG (George) [REDACTED]; [REDACTED]; [REDACTED];  
[REDACTED]; [REDACTED]; [REDACTED]; Communications Net Zero & Rural Affairs [REDACTED];  
Ingebrigtsen R (Ross) [REDACTED]; Nicolson S (Stuart) (Special Adviser) [REDACTED]; [REDACTED];

[REDACTED]; Higgins K (Kate) [REDACTED]; Spads Admin [REDACTED]; [REDACTED]

**Subject:** For Clearance: Rising costs for farmers - The Herald/Ferret - CoP today

PO;

The Herald and the Ferret have approached us for a comment on the challenges faced by farmers due to rising costs and also on the calls from NFU Scotland who are asking the government to;

- Maintain direct payments to buffer the rural economy against volatile and high input prices.
- Support domestic fertiliser production (CF Fertilisers): it is strategically important for resilient food production and Scotland's rural economy.
- Provide capital grant funding to support precision application of fertiliser and other innovations that improve nutrient use efficiency.
- Supporting fairer returns in commodity supply chains to improve financial margins.

*(Detailed query below.)*

Grateful for Ms Gougeon's views/ consent on the lines proposed which have been agreed by SpAds, Comms and Policy.

### **A Scottish Government spokesperson said:**

"The Scottish Government recognises the challenges faced by our farmers and crofters given rising costs due to supply issues, and the overall impact of Brexit on the agricultural sector.

"This government will not remove direct payments. We have committed to maintaining basic payments at current levels for the duration of this Parliament and have provided £363 million of support to date.

"Maintaining support provides vital stability and certainty but by making the payments process more resilient now, helps us to create a support system in the future, that is founded on a robust and coherent framework.

"Support payments are being delivered on priority like the £50 million that has been paid towards the Less Favoured Area Support Scheme (LFASS). Suckler Beef and Sheep Support payments worth £41 million and £ 7 million respectively, will be paid out from this April and May.

"The Scottish Government recognises the importance of domestic fertiliser production to Scotland's farming and food production industry. We have included soil testing as a first step in our national test programme to help farmers optimise nutrient use and therefore save money on fertilisers.

"We also see opportunities to include more nitrogen-fixing crops in our pasture and arable rotations and we'll be considering how to encourage wider use of nitrogen-fixing crops as we continue to develop the National Test Programme.

“Many of the rising costs impacting on farmers and other rural businesses relate to matters within the control of the UK Government. The removal of £95 million from the Scottish budget, when it took over allocating funding for what was previously funded from the EU for rural support, has further exacerbated the situation.”

### **Background:**

The National Test Programme, starting later this year with up to £51 million of investment over three years, will support and encourage farmers and crofters to learn about how their work impacts on climate and nature, including offering financial support to carry carbon audits and for soil sampling and analysis, including soil carbon analysis, to support nutrient management plans. This will establish a clear baseline and options for action for all who participate.

A new Scottish Agriculture Bill will be brought forward in 2023 to provide a replacement for the Common Agricultural Policy and this will include future farming support payments. This will be followed by a Just Transition Plan for Scotland's land and agriculture, which will include clear milestones out to 2045.

### **Original Query:**

Further to my call, I'm writing a report to be co-publish by The Herald, and The Ferret website, about problems facing farmers in Scotland this year. They are facing cost hikes of up to 200 per cent and warning that a tsunami of rising prices hitting the agricultural industry could mean food shortages this year as well as further inflation in the shops. Farmers face paying all-time high prices for fertiliser, fuel, energy, and feed, and some agricultural sectors could be facing labour shortages again this year, as a result of Brexit.

NFU Scotland are asking the UK and Scottish governments to:

Maintain direct payments to buffer the rural economy against volatile and high input prices.

Support domestic fertiliser production (CF Fertilisers): it is strategically important for resilient food production and Scotland's rural economy.

Provide capital grant funding to support precision application of fertiliser and other innovations that improve nutrient use efficiency.

Supporting fairer returns in commodity supply chains to improve financial margins.

Many thanks,  
[REDACTED]

[REDACTED] | Communications: News (Net Zero & Energy/Rural Affairs & Islands )

Scottish Government, St Andrew's House

e: [REDACTED]

m: [REDACTED]

