

# **Fairer Scotland Duty Summary**

## **Agriculture (Retained EU Law and Data) (Scotland) Bill**

**October 2019**

# FAIRER SCOTLAND DUTY

## SUMMARY

<b>Title of Policy, Strategy, Programme etc</b>	Agriculture (Retained EU Law and Data) (Scotland) Bill
<b>Summary of aims and expected outcomes of strategy, proposal, programme or policy</b>	<p>The aim of the Agriculture (EU Law and Data) (Scotland) Bill is to give the Scottish Ministers regulation-making powers to modify retained EU law related to the Common Agricultural Policy, in order to implement the proposals set out in the 2018 public consultation “Stability and Simplicity”, and to provide them with new powers to collect information relating to the agricultural and agri-food supply chain, which will help ensure greater transparency and stronger links to the principles of GDPR. It is expected to affect anyone in Scotland that currently receives support through the CAP. It is not intended to deliver a significant shift in policy, but rather pave the way through a transitional period to around 2024 after leaving the EU.</p>
<b>Summary of evidence</b>	<p>In terms of the current CAP, the evidence suggests that farm payments do not tend to reduce inequalities in terms of income, deprivation or social class.</p> <p>Defra analysis in 2018 has also shown that it is likely that direct payments tend to inflate farm land prices and rent. This process of capitalisation tends to support land ownership and landlords rather than production. Reductions in direct payments may therefore improve land availability by reducing prices and moving rents to nearer the productive value of the land, bearing in mind that Farm Business Survey records the average net worth of farms in Scotland is £1.3 million, rising to £1.6 million for owner occupied farms.</p> <p>There are occasionally public claims that farm payments reduce on-costs for farmers and therefore may reduce the cost of foodstuffs, which in turn would benefit low-income households, but these are not well founded in the evidence.</p> <p>As a guard against low pay in the agriculture sector, the Scottish Agricultural Wages Board (SAWB), sets minimum wages and other conditions of employment in relation to agriculture. This is done through Agricultural Wages Orders, which are enforced by the Scottish Government.</p>

<p><b>Summary of assessment findings</b></p>	<p>During the assessment, consideration was given to whether the Bill could be extended to cover rural policy after the planned transitional period, which could potentially include a more wholesale restructuring of the CAP or replacing it completely with more equitable schemes. However, the ongoing uncertainty surrounding the UK exit from the EU means that the future environment in which long term rural policy will need to operate is still relatively unknown, even in broad terms. Until there is greater clarity around issues which could constrain or affect future Scottish rural policy, such as the UK Government plans for future funding, and the future trading relationship with the EU (and beyond), etc., any development of long term future policy would either need to be very general, or would need to be heavily caveated, either of which would negate the advantage trying to address issues of inequality more quickly.</p> <p>No changes are being made to the approach taken in this Bill as a result of the this assessment. This is because the Bill itself will not make any changes to current CAP rules, and so will not impact, either positively or negatively, on any existing socio-economic disadvantages or inequalities of outcome.</p> <p>It also does not prevent non-legislative changes being made to design individual schemes in more equitable ways. This Bill does, however, create the opportunity to make some legislative changes to the current CAP rules and regulations once they become retained EU law, for example where the changes could be classed as simplification or improvement of the current CAP schemes.</p> <p>This would be done through the secondary legislation made under the eventual Act, and would involve, where appropriate, engagement and consultation with stakeholders in light of the requirements of the Fairer Scotland Duty.</p>
<p><b>Sign off</b></p>	<p><b>Name: John Kerr</b></p> <p><b>Job title: Head of Agriculture Policy Division</b></p>



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