

Farming and Food Production – Future Policy Group

5th Meeting 12th March 2020

Andrew Scott welcomed everyone to the 5th and 6th meeting of the Farming and Food Production Future Policy Group. He outlined that the purpose of combining meetings 5 and 6 was to bring focus and momentum into developing the Group's recommendations for the Report.

To assist with this, a set of proposed Principles and Actions had been prepared and the Group spent a short time discussing these.

The overarching theme for the first day was Green Economy with the first part of the session on Bio-economy.

The first presentation was by **Deb Roberts** (James Hutton Institute) around the opportunities for farming and food production in a bio-economy. In addition to the obvious environmental credentials, it also has the potential to contribute to the rural economy but requires a number of key actions at policy, investment and knowledge level to really exploit the full potential.

Ian Donaldson (Scottish Forestry) spoke about the significant contribution forestry makes to the Scottish economy and the critical role of woodland and forestry in meeting the climate change targets. He encouraged the group to think about forestry and woodland as being an integral and integrated part of agriculture and land use.

The second half of the day focussed on Biodiversity

Deb Long spoke about the LINK Ten Principles for Future Land Management Support in Scotland. Funding needs to be targeted to support solid evidence-based business-led outcomes that deliver public goods and value for money. This can include upskilling, capital projects, infrastructure etc. It's imperative that the public can see where their money is going and what it is being used for.

Dennis Overton and **David Michie** talked about agroecology, a “whole system” approach which integrates food production, diet, biodiversity and climate change. This reduces the burden on any single sector and the vulnerability of reliance upon single streams of production. They challenged the Group to think about how we could “sell” sustainable food production to the consumer to raise demand for its practices, and how agricultural policy could weave in the principles of agroecology.

Anne McCall carried on the “whole system” theme, giving some insight into the state of nature in Scotland. She highlighted the dramatic decline in bird species in Scotland this was not irreversible and that through working in partnership with farmers and land-managers, it was possible to identify ways to both manage the land and support biodiversity. She urged the Group to think about how it could support the expansion of that holistic approach to the whole system.

Kate Rowell gave an overview of the work and interim findings of the Just Transition Commission. While this is a worldwide initiative, encouragingly, Scotland is doing

really well in its wider community and industry engagement and consideration when significantly impactful changes are happening. She talked about the carrot and stick approach to incentivising: shouldn't rely on either regulation or encouragement alone but a combination deployed strategically. One particular point that she made was that when making or recommending change, we need to think more broadly about the impact and "see ourselves as others see us".

Farming and Food Production – Future Policy Group **6th Meeting, 13th March 2020**

The theme of the second day was “what could the future look like and how would that be effected?”.

It was observed that this was a time for ambition and aiming high but that achieving transformational change requires new ways of thinking and acting and we need to facilitate that. We need balance this with pragmatism though.

Andrew Scott asked the Group to hold 4 key matters in mind:

1. Taxpayers: how to improve understanding of where their money is going and what it's being used for
2. Consumers: producers and suppliers must be responsive to what the customer wants – it is not for government to tell them
3. Transition: this is not about whether to transition, but the method to ensure a just transition
4. Silos: We have to move beyond current boundaries but need to persuade people around 1-3 above to secure buy-in.

John Kerr reminded the Group that current policy framework allows escalation and de-escalation of aspects of policy, process and funding so it can respond to any required change sooner than 2024.

Steven Thomson (SRUC) reflected on these issues in his presentation about what the future could look like, drawing upon work elsewhere, including rUK and the EU. We need to be mindful of the fact that taxpayers are more savvy about how their money is spent - this means taking difficult decisions on future priorities and funding. This Group has a once-in-a-lifetime opportunity to effect true transformation and it should therefore be quite bold and radical in what it recommends. We should focus on what we are trying to achieve rather than what we are trying to deliver.

Managing this transformation with existing infrastructure requires careful planning and prioritisation with a transitional approach that incrementally moves payments towards environmental outcomes. We need to be careful however that the burden of environmental gains is not the responsibility of one area alone but addressed holistically, making trade-offs if necessary.

In the discussion which followed, points made included:

- generational renewal. How to encouraging new entrants, (and to encourage exit from farming). Should we consider reviewing the Scottish approach of splitting farms, looking at the Norwegian and Swiss models for generational renewing instead?

- supply chains. Ambition 2030 must be part of the discussion in Scotland, where there is a real need to strengthen the supply chain and add value to primary produce in Scotland (instead of exporting the added value).

Martin Kennedy offered a view on how payments for land could be transition to develop outcome-focussed payments that protect farmers' incomes. He outlined some sample calculations to demonstrate weighting payments incrementally in favour of environmental outcomes over the course of a few years while maintaining support levels for the farmer. This would provide financial stability, while incentivising environmental improvements. It moves away from payments being area based and drives productivity to deliver public goods.

Patrick Krause provided a crofter perspective, welcoming the Group's recognition of the role of smaller enterprises such as crofting in transformation and delivering environmental and biodiversity gains. Crofting areas tend to be in High Nature Value areas and that should be considered when developing policies for change. Policy development needs to cut across silos, using things like land reform, community ownership to revolutionise crofting and the perception of it.

Eleanor Kay and **Hugh Campbell-Adamson** offered a land-based business perspective, acknowledging there are a lot of asks on land management which upskilling and better data management will help address. Horizon 2020 and EIP (on research, innovation and technology) being areas where lessons could be learnt.

They reminded the Group that social enterprise, housing, connectivity, transport, supply chains and services are all key to rural economy and to business success so should be factored in when considering funding mechanisms. Development Zones (akin to those found in disadvantaged post-industrial urban areas) were suggested as a way of stimulating some rural areas.

They reminded the Group that the public in Scotland has a singular relationship with the landscape and will be invested emotionally in what happens to it. We need to be piloting soon to effect transformation.

Sheila George (WWF) gave an environmental perspective, highlighting that Scotland does not have an ambition for nature recovery, something that this Group can help remedy through its recommendations. 40% of Scotland is High Nature Value area and has the capacity to produce food in a way that supports biodiversity. We need to view ecology as an advantage for our businesses, for example placing a premium on food with green credentials. The links between agriculture and biodiversity need to be more clearly set out and managed, so we can get to a point where paying farmers for delivering both is the norm. Data, Knowledge Transfer, advice, training should all facilitate change for land management. Regional land-use frameworks in 2023 are an opportunity.

Discussion followed the presentations.

Points raised included:

- Transition – need a clear vision, not all support is financial, we need to unblock skills gaps. Regulation should be at the bottom of considerations.
- Design – what are we working towards? If we did x in y time would we meet our obligations under climate emissions for example?
- Delivery – role for collaboration, enablers of change. Data is important – how do we use, value it to enable change and inform better decision making.
- Agri-transformation fund need to recognise collaborative working (include non land based businesses)
- Need to focus support on outcomes, data critical, technology should allow us to do something more radical.
- We should revisit the lowland crofting initiatives as part of land commission work?
- Carbon trading – can we do something about carbon credentials for farming?

The Group concluded the day by working further on the Principles and Actions which had been set out the previous day, and which will form the basis of the Group's recommendations, planned for publication in the Summer of 2020.