

Scottish Environment Link

18 March 2020

Dear Deborah

Thank you for your letter of 17 February setting out your concerns about the direction of future rural policy. I will respond to the points you made in turn.

As you know, the Farming and Food Production – Future Policy Group (FFP-FPG) was established as an independent Group, and given the industry involvement in the group, it was unfortunately inevitable that both COVID and Brexit significantly impacted upon the Group's work. As an independent group it is for Group members to agree when it is ready to publish.

A fine balance must be found to ensure greenhouse gas reductions and carbon sequestration can take place while Scotland continues to produce high quality and sustainable food and Scottish producers can function profitably. As we set out in our recent Climate Change Plan update, we are committed to reducing greenhouse gas (GHG) emissions from farming and crofting, while optimising land use beyond traditional farming and food production to multi-faceted land use including forestry, peatland restoration and management and biomass production.

Farmers and crofters play a key role in managing Scotland's environment and landscape along with being part of the climate solution. Agri-environment support promotes land management practices which protect and enhance Scotland's natural heritage, and I have prioritised agri-environment support in the face of significant cuts to the budget resulting from the UK Government reneging on public commitments that farmers and crofters would not be worse off as a result of leaving the EU. The aid of your organisation in seeking to reverse £170 million of funding cuts imposed on us by the UK Government will, of course, help enormously in allowing us to succeed in our environmental efforts.

Funding beyond the agri-environment budget line supports climate emissions and the environment. A third of CAP schemes including Greening, Agri-Environment Climate Scheme, Beef Efficiency Scheme and Forestry Grant Scheme are providing funding for environmental support measures, while the Farm Advisory Service provides advice on a

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range of issues including climate change and biodiversity . The budget also contains a further £40m million for agricultural transformation which is targeted at measures to reduce emissions.

We have recognised stakeholder concerns about the reduction in the agri-environment budget. That is why we will allocate an additional £5 million of capital funding to support emissions reduction in the agriculture sector, supporting broader agri-environment measures flowing from the farmer led groups. This will supplement the £40 million already invested in the Agricultural Transformation Programme, whilst we work with the five sector led groups to start implementing climate change activities. We will create green jobs, cut emissions, address climate change and enhance our environment. The additional funding cannot be spent directly on the Agri-Environment Climate Scheme in 2021-22 as contracts are already in place for the coming year, and new contracts entered into in the 2021 round will not incur spend until 2022-23. However, the extensions we had already offered ensured £6m further investment and the continued management of more than one million hectares under AECS in 2021, ensuring the continued protection of over 200 protected areas. Only this week we have announced the Small Woodlands Loan Scheme (alongside the existing main Forestry Grant Scheme). Under the Scheme, to remove cash flow barriers that can often prevent tree planting, Scottish Forestry will pay half of the upfront costs associated with planting a new woodland; including buying trees, ground preparation and fencing.

It is only fair to acknowledge that many farmers and crofters have already implemented practices which increase biodiversity and reduce emissions, and that there are many more who recognise that that they need to embrace new methods of working. That is why we have started the process of agricultural transformation by piloting the Sustainable Agriculture Capital Grant Scheme this year. This has allowed us to provide some immediate support to the sector to invest in new equipment which will help them to transition to more sustainable farming methods: by improving land and livestock management and supporting a move to lower-carbon farming.

We have already set out our future policy aims in the Programme for Government and in the Climate Change Plan update. The Farmer-led Groups will develop workable advice and proposals to Scottish Government on practical measures that will support and empower our farmers and crofters in shifting to low carbon farming practices that reduce emissions at croft, common grazing, farm and estate level, while improving efficiency, productivity and profitability. It is envisaged that these measures will build on existing regulatory requirements and accepted good industry practice, and be compatible with biodiversity targets and profitability. As such, Groups are chaired by those with experience in the sector to better inform transformative yet achievable change.

If you would find it helpful, I would be happy to set-up a session with myself and the Chairs to discuss the work of the Sector Groups further. Please contact my private office to arrange a suitable time.



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