



Farm for Scotland's Future Policy ambitions – reform of agricultural support

Summary

More than 20 environment charities, members of Scottish Environment LINK, have joined with farmers' groups to demand change. We're calling on the Scottish government to:

- Replace the decades-old farm funding system with one that works for nature, climate and people.
- Ensure at least three quarters of public spending on farming supports methods that restore nature and tackle climate change.
- Support all farmers and crofters in the transition to sustainable farming.

Policy context

The Scottish Government's [vision for Scottish agriculture](#) sets an ambition of Scotland becoming "a global leader in sustainable and regenerative agriculture". The vision states that farmers and crofters will be supported to "deliver emissions reductions in line with our climate targets" and "contribute to the restoration of nature through biodiversity gain on the land they farm".

Scottish Environment LINK and the Farm for Scotland's Future campaign support the Government's vision and desired outcomes and especially welcome the emphasis on nature restoration as well as climate mitigation. The aspirations contained within the vision are achievable but will require an ambitious approach to the design and implementation of the new system of agricultural support. A report from WWF Scotland has highlighted that policy measures currently proposed to reduce emissions get us less than halfway to where we need to be for Scotland to remain on track to reach net zero by 2045.¹

The ambitions for the new Agriculture Bill sit within wider policy contexts:

- Statutory targets to reach net zero emissions by 2045, with an interim target of 75% reductions by 2030, contained within the [Climate Change \(Scotland\) Act 2009 \(as amended in 2019\)](#)
- The principle of Just Transition, embedded into law by the Climate Change (Emissions Reduction) (Scotland) Act 2019
- The strategic priorities for agriculture identified by the [2nd Just Transition Commission](#) of supporting greater climate action, restoring nature, and reforming farm support
- The [Climate Change Plan 2018-2032](#), which states that "By 2032, the agriculture sector in Scotland will have adopted and be competently using all available low emission technologies throughout the whole sector... making a significant contribution to meeting our climate

¹ <https://www.wwf.org.uk/sites/default/files/2021-10/Ricardo%20GHG%20mitigation%20WWF%20Scotland%2017Oct21.pdf>



change targets as well as wider environmental and biodiversity impacts.” This includes a target to reduce agricultural emissions from 7.0 MtCO₂e in 2020 to 5.3 MtCO₂e in 2032, a 24% decrease over 12 years.²

- The [draft Scottish Biodiversity Strategy](#)’s ambition to reverse biodiversity loss by 2030, and target that “by 2030 we need to have farmland practices which demonstrate an increased uptake of high diversity, nature rich, high soil carbon, low intensity farming methods while sustaining high quality food production.”
- The [Environment Strategy 2020](#) has as its vision to restore nature and end Scotland’s contribution to climate change by 2045. The [first annual report to Parliament on progress](#), published in March 2022, omits any assessment of progress needed within the agricultural sector.

Scale of the challenge

Agriculture is Scotland’s [third largest source of Greenhouse Gas emissions](#), yet emissions from farming have fallen at a significantly slower pace than almost all other sectors. 75% of Scotland’s land is used for agriculture, and agriculture is [a major cause of the loss of Scotland’s wildlife](#).

Business as usual is not an option. Environmental security underpins food security, and climate change and nature loss are already having an impact on farming. We are already seeing the impacts of climate change now, with extreme weather and water shortages impacting food production. In 2017 alone extreme weather contributed to losses of up to £161 million for Scotland’s farmers.³

Food production depends on a stable climate, functioning ecosystems, healthy soils, and populations of pollinators as well as other complex natural systems. Public funding must support a transition towards farming practices compatible with a healthy climate and natural environment.

Delivering our ambitions

Distribution of funding

The Scottish Government proposes that the new system will operate along four tiers.

Direct Payments:

Tier 1 (Base payment), to support active farming and food producers, conditional on basic standards

Tier 2 (Enhanced payment), for businesses that are highly effective in reducing emissions and restoring nature

Indirect Payments:

Tier 3 (Elective payment), for targeted nature restoration, innovation support, and supply chain support

Tier 4 (Complementary support), including people development, measurement tools, tree planting, and peatland restoration.

² <https://www.gov.scot/publications/securing-green-recovery-path-net-zero-update-climate-change-plan-20182032/pages/17/>

³ <https://www.wwf.org.uk/updates/severe-weather-cost-scottish-farmers-ps161m-2018>



The overall level of funding for agricultural support should be at least maintained. How that budget is then divided across the Tiers, and what requirements farmers must meet to receive funding from within those Tiers, will determine whether the new system can meet the Scottish Government's stated ambitions. As a guiding principle, we must move away from an outdated system that rewards land ownership and move towards a model that provides public money for public goods.

LINK has significant concerns about the heavy emphasis on Direct Payments, even with conditionality attached. **Most funding – at least 75% – must directly support methods of farming that deliver for nature and climate.** This will require funding to be prioritised on Tiers 2, 3 and 4, where it must support effective interventions, as outlined below. Within the Direct Payment envelope, a majority must be spent on Tier 2 (enhanced payments) to deliver results.

Whole Farm Plans

The Scottish Government proposes that all recipients of Tier 1 payments be required to produce a Whole Farm Plan. LINK believes that Whole Farm Plans should be a requirement for funding across all Tiers, with an appropriate level of planning for each level. This plan would be practical and relevant, and would ensure that the environment underpins all aspects of planning. This would be based on the following:

- Plans are based the priorities for of the individual holding, guided by local, targeted priorities.
- Plans delivered by suitably qualified, skilled advisers and farmers / land managers with appropriate skills.
- Plans are produced with an emphasis on land manager input and involvement to promote ownership of the desired outcomes.
- The planning approach makes effective, efficient use of a single, integrated IT platform that holds relevant, holding level, information based on an online mapping tool.
- Measures to support land managers with implementation of plans – particularly access to ongoing advice and support - are available.

Lower Tiers

Advisory support for lower tiers of funding should focus on a basic plan requirement. This basic plan would utilise information on workable integrated IT platform. It would focus on farmer self-assessment linked to a compulsory training requirement. This would involve 'one-to-group' advice linked to the relevant needs of the land use type. This could include attendance at farmer meetings, monitor farms themed events, and online training events. It should be linked to a compulsory CPD requirement.

Upper Tiers

The production of detailed plans should initially focus on those seeking higher level support payments. All financial support for upper funding tiers should require the production of an environmental plan covering habitat, species, water quality, carbon/greenhouse gas emissions and soils. The plan would include a comprehensive assessment of all aspects the holding's environment and underpin any application for funded management. It should draw on previous plans such as agri-environment, Integrated Land Management Plans (ILMPs) and whole farm plans.

The plan would be based on existing information, data and local priorities, and would be combined with a walkover survey and land manager discussion. Priorities for the next 10 years would then be agreed with the land manager. The plan would be based on local / regional priorities set by RLUPs (or similar) and be well integrated with land manager priorities and farm type / farm environment.



Payment Tiers

Tier 1 payments

Over time, the new system must transition away from providing any support for practices that are incompatible with a healthy environment. This will be achieved by **phasing out all funding for Tier 1 (Base payments) over the term of the next parliament (2026-30) in order to move money into Tiers 2, 3, and 4.**

In the interim, recipients of base payments must meet core sustainability standards and must be required to produce Whole Farm Plans. Active farmers/crofters should be expected to meet certain basic requirements in addition to GAEC – for example, periodic soil testing, animal health and welfare plan, nutrient budget, carbon and biodiversity audits – and to upload that data annually to a government portal. They should also be expected to undertake CPD.

The system of base payments should be designed to be redistributive and should not reward large landowners simply because of the size of their ownership. This payment should provide a form of income support for small to medium sized farms and crofts, especially those in the more agriculturally and economically disadvantaged parts of Scotland. The amount of support any farm can receive under this payment should be capped. Eligibility for this payment should not be a requirement for support under Tiers 2 and 3.

Specific interventions

The following are interventions LINK member's believe are necessary under the new system of support. This list is incomplete, and a wider

Organic farming: The Vision for Agriculture sets an ambition to 'encourage more farmers to farm and produce food organically'. A specific target should be set to reach **10% of land farmed organically by 2030**, with this change driven by the new system. **This target should be included in the Agriculture Bill.**

Trees on farms: The Vision for Agriculture includes 'integrating trees on farms'. [Modelling by Soil Association/Cumulus](#) suggested that a modest allocation (in range of 1-5% of Scottish farmland) would mean an extra 342,000ha of woodland and trees outside woodland could be created by 2050, with wide benefits. Integrating trees on farms can provide a range of benefits to both farmers and wider society, as well as significant ecosystem services. Future policies need to acknowledge these benefits and funding mechanisms need to be appropriate to support trees on farms projects at all scales including: management of existing farm woodlands, integration of trees with crops and livestock as well as hedgerows, copses and buffer strips part of a well planned agroforestry system.

Input reduction: The Vision for Agriculture aims to "minimise, reduce and remove the use of agrochemical inputs". The new payment system should incentivise a shift to low-input production. This could fall under basic standards for the Base Payment, or under the Enhanced Payment, based on reduced usage of N fertiliser and chemical pesticides. **Targets should be aligned with Farm to Fork, with a target of a 20% reduction in N fertiliser, 50% in pesticides, and 50% in antimicrobials. These targets should be included in the Agriculture Bill.**

Creating space for nature: Farmers and crofters should be supported to create and maintain nature rich habitats, such as through enhancing field margins. The system should incentivise farmers and crofters to work together to deliver benefits of nature through contributing to wider "Nature Networks" - for example, by coordinating placements of hedgerows, wildflower meadows, and other wildlife corridors. Space for nature can be created on productive land, and farming methods which promote biodiversity without taxing land out of production entirely, such as regenerative grazing, should be supported.



Public access

Land managers have a legal duty under the Land Reform (Scotland) Act 2003 to respect access rights. Therefore they should be supported to facilitate public access on their land as this is a public good which often is for the benefit of their local community or the population more widely, rather than bringing specific benefits to the individual farmer. Support could happen through the creation of a programme along the lines of the existing Improving Public Access scheme which provides funding for creating and maintaining paths and other infrastructure. This enables more people to get outdoors, to enjoy and learn about nature as well as improving their own health and wellbeing. Any new scheme could also include funding for farmers to leave wide field margins which will benefit nature and public access as well as creating a buffer against diffuse pollution.

Targeted Nature Restoration (Tier 3)

Building on the action taken for nature through Tiers 1 and 2, a new Nature Restoration Scheme should be introduced under Tier 3 to enable agriculture to make its contribution to reversing nature loss. This action should support farmers to undertake the creation and restoration of specific habitats such as wetlands, heath, habitat mosaics, species-rich grassland, as well as species specific management.

Complementary support (Tier 4)

People development

Scotland's farming sector, like all business sectors, requires investment in skills and preparing for change. This means upscaling farm advisory services and ensuring they are able to meet an increasing demand for on farm advice. A well-funded and targeted advisory service is a top priority. It should be underpinned by knowledge transfer opportunities for peer-to-peer learning, as well as investment in training opportunities. Successful action for nature and climate must be done at scale: support should be available to farmers to be able to collaborate, through advisors and networking initiatives, to coordinate across larger, catchment scale areas.

There must be much more investment in advice, knowledge exchange, research, and CPD to support the transition to nature-friendly and climate-friendly farming. Scotland needs a bigger and more diversified Rural Advisory Service to provide new jobs, training and skills, that supports sustainable land use. Maximising our land's potential requires a skills, knowledge and advice revolution, with investment in upskilling and training for sustainable land use change, bringing with it more rural job opportunities.

Training and employment of more farm advisors that understand both farming and wider land use challenges, via a bigger and more diversified Rural Advisory Service, would provide effective outreach to farmers and land-managers. Rural job opportunities would also be boosted by a diversified service, with potential for a rural skills and jobs matching scheme, including financial support for wages. This should target those who are unemployed, underemployed or who are at risk of unemployment as a result of the current economic crisis – and offer upskilling, reskilling and skills diversification opportunities.

Measurement tools

Funding must be allocated to carry out effective monitoring and evaluation of all farm support payments, including establishing baseline data, assessing impacts and outcomes and reporting on progress.

Financing



Capital funding should be used to offer low cost or no-cost loans to farmers looking to invest in new equipment that will save businesses money in the long term (i.e. upgrades to machinery). The Scottish Government should encourage cooperatives or machinery rings to purchase these items collectively; this would avoid duplication in investment and has the potential to facilitate greater cooperation at landscape scale.

Loans and grant funding put in place by Scottish Government should have baseline and monitoring activities attached. Advice and training could also be used as a form of conditionality, to assist upskilling, and help farmers and land managers comply with new regulations.

Match funding should be used for grants/loans that will generate financial or other business benefits on farm. The requirement for match funding should be aligned with the level of private benefit that will be generated from capital funding. This would ensure that a greater % of spend can go to farm businesses and land managers who would find funding to be otherwise prohibitive (smaller-scale farmers, new entrants). Means testing should be considered where match funding would be prohibitive e.g. new entrants or small scale agroecological farmers.

This briefing represents the collective view of LINK's Food & Farming Group. Members may also respond individually in order to raise more detailed issues that are important to their particular organisation.

Scottish Environment LINK is the forum for Scotland's voluntary environment community, with over 40 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society.

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