



## Agriculture and Rural Communities Bill: what is needed to deliver for nature, climate and people?

### Why do we need change?

Farming is vital to Scotland's Future. As well as producing food, farmers and crofters manage three quarters of Scotland's land. However, current dominant farming methods make farming Scotland's second biggest source of climate emissions and a major cause of the depletion of our nature.

We need the Agriculture Bill to create a new funding system that helps all farmers and crofters produce food in ways that restore nature, tackle climate change, and revitalise our rural areas.

**The dominant farming methods of today make farming a major cause of nature loss, and Scotland's second biggest source of climate emissions. But it doesn't have to be this way.**

Some farming practices, such as the use of chemical pesticides and fertilisers, overgrazing, and clearance of natural vegetation, are a problem for both nature and the climate. We live in one of the world's most nature-depleted countries, with the Biodiversity Intactness Indicator ranking Scotland 28th from the bottom out of 240 countries. The latest Scottish climate figures show that emissions from agriculture have risen, with only the transport sector contributing more to climate change.

However, a growing number of farmers and crofters are working to restore nature and make farming part of the solution to the climate crisis. The Agriculture Bill must create a system that rewards this best practice and helps the industry transition to sustainable farming.

Food production, and ultimately food security, depend on the health of soil, pollinators and natural pest and disease regulators. All of these are compromised in industrialised farming systems with high levels of chemical inputs. Without a stable climate and healthy ecosystems, our ability to produce food will increasingly be threatened.

We are already seeing climate change impact Scottish agriculture. Droughts, flooding, and other extreme weather events are leaving farmers more vulnerable. The new system can support farmers to reduce their emissions while building resilience in the face of a changing climate.

**Scotland needs a new farm funding system that supports all farmers and crofters in the transition to sustainable farming.**

The current farm funding system is unfair and inefficient. Most payments are based on agricultural area, which means they go to the farmers who own the most land, rather than paying farmers for managing the land well. The distribution of funding is massively weighted towards a minority of large landowners. Instead, the new system should be focused on using public money to achieve public policy objectives, including restoring nature and mitigating climate change.

Scottish Environment LINK accepts that this is a framework Bill and that the Scottish Government wants to ensure flexibility in delivery. We are proposing a number of amendments which would retain that flexibility while strengthening the legislation by setting a clearer direction of travel and ensuring the best possible policymaking over future Rural Support Plans.

### Rural Support Plan

As the Bill is framework legislation, the most important decisions will be made through the Rural Support Plan. It is important that stakeholders and parliamentarians have a clear understanding of what the Rural Support Plan will include and how it will interact with the objectives set out in law.



The Bill should be amended to set out in greater detail what Ministers are required to include in the Plan, including indicative multi-year budgets; details of each payment scheme; and detail on how the impact of funding will be monitored. Such an approach would give greater certainty to industry as to how the new funding system will operate and develop over time. Additionally, we believe the Bill should be amended to require the first draft of the Rural Support Plan be laid before Parliament by a specified date and to be subject to parliamentary scrutiny.

### Targets

It is the strong view of LINK's Food and Farming Group that specific targets are necessary to achieve the objectives set out in the Scottish Government's Vision for Agriculture. We would, for example, support targets to increase the proportion of land farmed organically, reduce harm from pesticides, and reduce nitrogen loss and waste.

There are several ways in which a target-based approach could function. The Bill could require, or empower, Ministers to set targets by regulation. Alternatively, it could be made a requirement that the Rural Support Plan includes targets and indicators related to the outcomes in the Bill.

### Duty to seek independent advice

In preparing the Rural Support Plan, the draft Bill requires Ministers to "have regard to" both the objectives established in Section 1 of the Bill and other factors, such as other statutory duties. Due to the importance of agriculture funding in meeting our climate and biodiversity targets, as well as food production, we believe a duty to seek independent advice should be adopted in this Bill. This would require Ministers to commission and publish advice from an appropriate independent body or bodies, such as the Climate Change Committee and Food Standards Scotland. There is precedent set in the Climate Change Act 2009 for a similar duty on Ministers.

### Redistribution and "frontloading"

EU Common Agricultural Policy 2023-27 includes a mandatory redistribution of income support, with countries required to dedicate at least 10% of their direct payments to increasing the income of small and medium sized farmers. While we do not believe it would be appropriate to include a similar requirement in legislation, it is appropriate to consider the distributional impact of payments. Small farms and crofts are often more environmentally sustainable but face disadvantages due to economies of scale. We propose that the Bill requires Ministers to consider the distributional impact of funding decisions.

The Bill would also be strengthened by adding a specific power to introduce such a frontloading approach, with a higher rate paid for the first hectares in a farmer or crofters claim under Tier 1.

**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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