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- Individual
 Organisation

Full name or organisation's name

Nature Friendly Farming Network

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- Yes**
 No

Delivering our Vision for Scottish Agriculture: Proposals for a New Agriculture Bill

A. Future Payment Framework

- a) Do you agree with the proposal set out in the consultation paper, in relation to the Agriculture Bill including a mechanism to enable payments to be made under a 4 tiered approach?

Yes

No

Don't know

Please give reasons for your answer.

Introduction

The Nature Friendly Farming Network supports and encourages the Scottish Government to deliver on its Vision for Agriculture and determination to develop agriculture, climate, biodiversity and food policies which recognise and understand the critical and dynamic relationship between them and that sustained food security can only be maintained and enhanced on this basis.

Our new Rethink Food: A Plan for Action sets out the definition of nature friendly farming

<https://www.nffn.org.uk/rethink-food-report/>

Nature friendly farming and crofting informs farm business decision making and on-farm/croft practices. It is an approach to farming and crofting which sees nature as a valued partner rather than an optional add-on. It recognises that nature is a part of, and central to, long term food production.

Nature friendly farming and crofting means reducing inputs like pesticides and fertilisers, reducing tillage to improve soil quality, replacing soil organic matter and creating habitats which benefit nature and aid farm/croft business outcomes. It means explicitly using farms/crofts to fulfil vital aims in addition to food production, where it is most appropriate and beneficial to do so, attaining a balance of land use for food, nature and climate. It is regenerative, circular, low waste, agroecological, low input, resilient, locally contextual and diverse. Nature-friendly farming and crofting is practical and economically viable, and evidence shows that it has the ability to deliver our food needs on a large scale as part of a more sustainable food system.

Nature friendly farming is explicit in recognising that farmers and crofters play multiple roles in our national economy and landscape. Farmers and crofters produce food, but they also protect, restore and expand valuable habitats and ecosystems on and around their land. They are land stewards, responsible for 80% of Scotland's land surface. Without farmers and crofters, Scotland cannot meet its climate and nature restoration goals. Meeting these goals goes alongside, rather than conflicts with, ensuring a resilient, diverse and healthy food supply for the nation.

By working with nature, we can reduce our reliance on external inputs, improve financial resilience, generate new value for people and the environment, and breathe new life into our rural communities.

Our members are currently working on their farms and crofts to bring back biodiversity, mitigate climate change and produce food across Scotland. Our steering group is engaged in raising the profile of agroecological and regenerative agriculture, working in partnership with other like-minded organisations to help the Scottish Government achieve its ambition to be a world leader in these areas. We are convinced by our own as well as the collective and cumulative experience of many others, that

agriculture can and should benefit from working with nature for sustained food production and delivery of ecosystem services.

Supporting and enabling integrated land management (land sharing not land sparing) and the evolving role of farmers, crofters and land managers will be key to hitting our climate and biodiversity targets within the timeframes and ensure a Just Transition. Coherence and alignment will be integral if we are to achieve our vision for Scotland to become 'a global leader in sustainable and regenerative agriculture.'

We know business as usual is not an option. As outlined in our Rethink Food report 'the input-driven farming that drove yield growth in the 20th century is no longer fit for purpose. It has delivered a system that is highly efficient in delivering raw materials for the food industry, but is also fragile. The continued drive to squeeze extra productivity out of livestock and land has come at a cost- undermining nature and the climate, increasing economic precarity for farmers and crofters, and failing to deliver diverse and healthy nutrition. Conventional solutions pit nature and farming against each other. Critics suggest that nature is an unnecessary luxury in the face of rising prices and fear of food shortages. But there is no conflict. By farming and crofting with and alongside nature, we can deliver both outcomes.'

4 tiered approach

We agree with the proposal that the new Agriculture Bill should include a mechanism to enable payments to be made under a 4 tier approach with the proviso that there will be a commitment to phase out area-based subsidies in the Bill within a managed transition period (all funding for Tier 1 Base Level Direct Payments to move into Tiers 2, 3, and 4 over the term of the next parliament 2026-30).

Within our our key asks within our recent report 'Rethink Food: A Plan for Action- <https://www.nffn.org.uk/rethink-food-report/> we ask the Scottish Government to:

Support a just transition to payments that support nature friendly land management. The Scottish Government is in the process of phasing out the existing BPS scheme. We ask that the Government maintain its commitment to phase out area-based subsidies in the upcoming Agriculture Bill. Targeted outcomes for biodiversity gain and low emissions production will be essential to creating a nature friendly food system. Area based payments will not achieve nature restoration or climate targets as part of a just transition

We would like to see a real commitment through the Future Payment Framework to direct funding and support towards supporting farmers and crofters to transition to nature-friendly farming and crofting.

We also welcome the commitment to 'explore capping and/or tapering base-level payments to release additional funding to meet the goals of our agricultural vision, including the urgent actions required to reach net zero emissions.' in the current Programme for Government 2022/23 and would add 'urgent actions required to reach net zero emissions and restore and enhance nature.' We would urge the Scottish Government to start actioning capping and/or tapering now and to review the current three region model as soon as possible.

We look forward to engaging with the Scottish Government to firstly co-develop the details of Enhanced support then moving onto the Base and Elective support brought forward in secondary legislation.

b) Do you agree that Tier 1 should be a 'Base Level Direct Payment' to support farmers and crofters engaged in food production and land management?

Yes

No

Don't know

Please give reasons for your answer.

As stated above, area based payments will not achieve nature restoration or climate targets as part of a just transition. The pace at which this transformation needs to happen will also be challenging. This requires long-term support from the government and a well-managed transition. Crucially, this means supporting actions that place nature at the heart of our food system. This depends on suitable schemes to help farmers and crofters transition to nature-friendly farming free from the market's vagaries.

It will be a challenge to make the Base Level Direct Payments even with conditionality attached, effective, inclusive & equitable.

- Area based payments rarely deliver tangible environmental gain even with conditionality attached - greening for example has been proven to be highly ineffective at delivering environmental outcomes, merely paying for standard practice - [Special Report n°21/2017: Greening: a more complex income support scheme, not yet environmentally effective \(europa.eu\)](#)
- Quite often they result in conditions that are easier to audit as opposed to delivering much in the way of nature and climate and on top of that it's difficult to create a system that fits the whole of the agriculture sector
- In terms of equity and inclusivity if area based payments continue to be based on previous entitlements (which in themselves are linked to previous rates of production) the majority of these payments could end up going to the largest and most productive farms from the perspective of food production, who are less likely to need this proposed 'income support' under Tier 1 (At present, the top 20% businesses take 63% of the budget, while the bottom 40% only receive 4.8% of the budget.)
- Connected to equity and inclusivity is also the fact that at present, many small-scale farmers and market gardeners are not able to access payments because they are below the 3ha threshold. Scottish Government should consider lowering the threshold to 1ha, abolishing it altogether or offering a Small Farms Scheme with a simplified process and a one-off flat rate payment, in line with the new CAP (which defines small farms as 10ha or below).

Nevertheless, NFFN understands the need for a Just Transition and necessary time & support afforded for farmers and crofters to begin to adapt their systems and practices using their carbon, soil and biodiversity baselines through the National Test Programme and Whole Farm Plans. Due to this NFFN would like to see this tier of direct payments as time limited (only made over the term of the next parliament 2026-30) with a planned transition of funds over to Tiers 2, 3 and 4.

'T1 and T2 have the same objectives and a duplication of effort (and cost to the public purse). Much more effective to raise the game with the industry to achieve the outcomes by merging them into one

Tier. Maybe go immediately for this approach but to include a transition period rather than having T1 as it stands for a limited time.’ NFFN Steering Group Member

This transition of investment is imperative as we need significantly more of the roughly £600m agriculture budget to be put into targeted, tailored interventions for farmers and crofters to transition to agroecological and regenerative agriculture if we are to meet our environmental and nature restoration targets and secure long-term food production. This includes a significant uplift in immediate, multi-year funding invested into agroecological and regenerative peer to peer knowledge exchange and research (see section C on Skills, Knowledge Transfer and Innovation) and towards payments including support for capital items that achieve nature restoration or climate targets alongside the the production of high quality food as part of a just transition.

c) Do you agree that Tier 2 should be an ‘Enhanced Level Direct Payment’ to deliver outcomes relating to efficiencies, reducing greenhouse gas emissions and nature restoration and enhancement?

Yes

No

Don’t know

Please give reasons for your answer.

As above NFFN would like to see funding of Direct Payments being transferred over a time limited period from Tier 1 to Tier 2 as this type of non-competitive, enhanced conditionality investment will have the greatest impact. We welcomed the announcement from the Cabinet Secretary on the 8th Nov that this Tier, the Enhanced element of the new framework will be prioritised for co-development and will be launched in 2026 with the commitment to recognise and reward farmers and crofters like our members who are already delivering for climate, nature while producing high quality food.

We would have liked to have seen more detail of the outcomes relating to reducing greenhouse gas emissions and nature restoration and enhancement set out in this consultation. We would also like to have seen what is understood as ‘efficiencies’ but will base our answer on the information set out and look forward to the co-development process starting.

As this tier is being prioritised and further elements of the Future Support Framework, including Elective and Complementary ‘schemes’, such as future incarnations of agri-environment and farm advisory services will only be delivered after this has been established, much of the expected transformation of agricultural practice by farmers and crofters to meet the 2030 milestones and visions for nature rich landscapes in the lowlands and uplands set out in the proposed Scottish Biodiversity Strategy will need to be supported under this tier.

Please see our response to the Proposed Biodiversity Strategy Consultation for reference.

A Balanced Approach

The Scottish Government states this commitment within these proposals:

‘We will continue to support our farmers, crofters, land managers, and members of the

agriculture supply chain to improve business resilience, efficiency and productivity, including through adoption and deployment of technology and innovation.'

NFFN would like to see the ambition of the Vision better reflected in this commitment and suggests the use of this statement:

'We will continue to support our farmers, crofters, land managers, and members of the supply chain to transition to sustainable and regenerative agriculture - to improve productivity and resilience through the adoption and deployment of nature-friendly, net zero practices, technology and innovation.'

This is part of a fundamental rebalance of focus and support which will be important when co-designing the detail of these enhanced level direct payments and what exactly farmers and crofters will have to do to access these. To date, despite acknowledging that we are facing a twin crisis much of the focus/ support has been on reaching net zero within agriculture by reducing emissions per unit of production.

As we state in our Manifesto 'It is vital that Scottish Government embrace a holistic, life-cycle approach to emissions reduction and not simply focus on reducing emissions per unit of production. This holistic approach will include efficiency increases and also consider other subsequent environmental impacts of sector change.'

While on-farm action is urgently needed to reach net zero, it is vital that a reduction in farming's emissions is not the only focus for climate mitigation, nor should it come at the expense of climate resilience. Climate resilience – which is achieved through the restoration of the natural environment – will provide landscapes with the necessary protection to withstand the pressures of a changing weather system, while simultaneously enabling efficient carbon sequestration and storage through natural processes. This is equally important to achieving net zero and cannot be overlooked in measures to offset carbon. Biodiversity restoration and the carbon potential of well-managed habitats, including soils, grasslands and hedgerows, must be balanced carefully with land use strategies for decarbonising.

Nature is farming and crofting's greatest resource- low carbon naturally follows farming with nature, emissions fall and more carbon is sequestered. Nature also builds our capacity to adapt and creates the resilience to withstand the pressures of a warming world. Even more fundamental, the bottom line is if we don't urgently restore and regenerate biodiversity in Scotland, producing bountiful, nutritious food without a biodiverse and fertile environment will be impossible.

Our Steering Group member Michael Clarke also states:

'There remains much to do if we are to secure a nature friendly future for Scottish agriculture. We need to work out a way of persuading the majority of Scottish farmers to address the nature crisis as well as the climate crisis: most farmers see it as irrelevant and it does not form part of how they farm or their responsibility. We need to develop and implement an effective campaign to win their hearts and minds. I see it as the challenge of the decade. Unless it is addressed effectively by somebody, ideally from within the industry, I don't believe we will achieve our nature targets. Additional funding would be necessary to support the development and implementation of an appropriate strategy but without it, I believe we risk building a castle in the air.'

Scotland is also in an enviable position with 40% of our farmland being classified as High Nature Value. Taken from <https://www.highnaturevaluefarming.org.uk/hnv-in-scotland/>- This is where traditional farming and crofting methods – primarily livestock production – have

created a rich diversity of wildlife habitats. This is a national asset and this land and the farmers and crofters who managed it should be better prioritised in support through the new proposed payment framework. HNV farmers and crofters currently get a low share of the c.£600 million CAP budget spent each year in Scotland. This has to be the opportunity to change this if traditional farming and crofting systems are to survive and the benefits they deliver be secured for future generations. Based on this, within this tier, there is an opportunity here to ensure that any suite of biodiversity conditions attached to basic payments include some relevance to already existing HNV farming system characteristics (so they can pass these and are not disadvantaged by having to do more to qualify.)

As one NFFN member states in our 'Rethink Farming' report:

'Crofters manage huge areas of land, which includes massive carbon stores (in the form of peat) and huge areas of globally rare and sensitive habitats which shelter many threatened species. They also produce food from this land without intensive inputs and have done for generations, in a way that not only works within environmental constraints but also helps to sustain rural communities and local economies.'

When engagement begins on the co-development of this tier, non-competitive enhanced level direct payments for nature restoration and nature enhancement as outcomes should be equally prioritised and valued alongside enhanced payments for reaching net zero within agriculture by reducing emissions per unit of production and driving efficiencies.

Signalling intention

An immediate action to signal this commitment would be to ensure that the POBAS pilot work led by NatureScot is sufficiently funded with a multi-year commitment to allow for wider engagement, experiment and co-design.

Another action would be to rename the existing 'Farming for a Better Climate' gateway resource to 'Farming and Crofting for a Better Climate and Nature Restoration' and change the strapline to: 'Working with farmers and Crofters to find practical ways to cut carbon, restore and enhance nature, improve profitability and move towards net-zero emissions' This would offer the opportunity to incorporate knowledge exchange/ transfer work on agroecology by NFFN/Nourish Scotland/Soil Association Scotland/ Pasture For Life/Landworker's Alliance and Propagate - <https://www.nourishscotland.org/agroecology-enabling-the-transition/> and work by other organisations (NatureScot 'Farming With Nature', FFCC, James Hutton Institute, SEFARI, SRUC and FAS) and the huge amount of learning through AECS over the years.

In-field agroforestry systems and hedgerow creation

NFFN agrees with Soil Association Scotland that non-competitive support for in-field agroforestry systems should fall under this tier if farmers and crofters are to be supported to play their part in delivering towards our tree planting targets of 18,000 Ha of woodland (of that 4000Ha of native) created per annum by 2024/2025

Reaching this overall planting target and maintaining it will be one of Scotland's achievements in helping reach its ambitious target of reducing carbon emissions to net zero by 2045 and increasing the supply of domestic timber. However, currently this is not being met by through integration of trees on farms and crofts but rather through landscape scale land-use change from agriculture to forestry. We are only just starting to understand the social, environmental and natural impacts this can have if not managed in a balanced way. Please see our response under Chapter 4: Assessing the Impact

We have to stop viewing forestry as non-agricultural land management and work towards

integrating our agriculture and forestry sectors.

We agree with Soil Association Scotland 'that a significant increase in the integration of trees on farms and crofts should be a priority for Scottish Government, and this ambition should be communicated clearly, with an emphasis on productivity gains. The evidence base is building that the careful and deliberate integration of trees and woodlands into farming systems as a land sharing or agroecological approach can boost productivity, rather than reducing productivity through loss of productive area, which is a concern voiced by many farmers. This is in addition to the benefits for biodiversity, soil health/structure, carbon and flood mitigation. Modelling by Soil Association in the 'Trees and Woodland in the Farmed Landscape' report suggested that planting on as little as 1% of arable farmland and 5% on dairy and lowland and upland grazing land could deliver 342,000ha of new woodland and tree canopy cover outwith woodland by 2050.'

We agree with the recommendation in the 'Farming for 1.5' report that 'Scottish Government should set a target of 6,000 hectares a year for agroforestry creation, and create a ring-fenced budget for agroforestry with a dedicated 10-year programme to drive it.'

Alongside this, NFFN would also like to see similar non-competitive targeted support for hedgerow creation and restoration under this tier - the importance of hedges is acknowledged in the 2030 milestones/ 2045 outcome statements and visions in the proposed Biodiversity Strategy. Hedgerows are more than just field boundaries. They are a central characteristic of a thriving nature-friendly farm- read more here:

<https://www.nffn.org.uk/hedgerow-management/>

We need a set hedgerow creation target in Scotland and the appropriate capital funding in place for farmers and crofters to enable this to happen. There is currently very little support and funding available to farmers and crofters for hedgerow creation despite the wide acceptance of the integral role hedges play both for climate and biodiversity. The only avenue open to farmers currently is through the Nature Restoration Fund but smaller sections of hedge or trees in unproductive field corners are not really big enough for an NRF application. However these can make a difference to a farm's carbon footprint and obviously improves biodiversity and habitat connectivity. Capital establishment costs are getting more and more prohibitive but there is also huge scope to connect this into a national campaign to access volunteer planting support and to blend public and private finance. NFFN are currently working with We Are Possible to support a pilot of this type of initiative in Scotland and would be happy to share learning.

Tier 3 is proposed as the Elective Payment which follows on from the Enhanced Direct Payment and focusses on targeted measures for nature restoration, innovation support and supply chain support. The Elective Payments would be wide ranging and, where relevant, location specific to ensure thriving rural communities. This will support those in the industry to gain or maintain knowledge and skills required to manage land sustainably, such as targeted support for particular species or habitats, support conversion to alternative forms of agriculture such as organic production and encourage innovation. Support mechanisms developed under this tier could support individuals, co-operatives, or groups involved in delivering targeted outcomes who are not necessarily recipients of support under tiers 1 and 2.

d) Do you agree that Tier 3 should be an Elective Payment to focus on targeted measures for nature restoration, innovation support and supply chain support?

- Yes**
 No
 Don't know

Please give reasons for your answer.

NFFN agrees that this Tier should be an Elective Payment and again looks forward to working with the Scottish Government on the co-development process.

We support the broad focus and the commitment that this will be open to individuals, co-operatives and groups who are not necessarily recipients of support under tiers 1 and 2. Many smallholders, farmers and crofters are currently unable to access any support within the existing system and the ongoing commitment to keep the present payment regions as they are within the early part of the transition means that this will last for many years yet.

NFFN also agrees with Soil Association Scotland that organic farming should be granted more than just a passing reference within this consultation, given the Scottish Government commitment to growing the organic sector. We support the suite of recommendations made by the Scottish Organic Stakeholders Group report, Pointing the way to an organic action plan for Scotland <https://organicstakeholders.scot/wp-content/uploads/2022/06/SOSG-Report-Pointing-to-Organic-Action-Plan-22.pdf>

Targeted measures for Nature Restoration

NFFN welcomes the focus on location specific payments and access for co-operatives and groups. This holds potential for supporting more 'landscape approaches' and 'farmer/crofter clusters' built on farmer to farmer and crofter to crofter support and collaboration. Support and funding for these bottom-up farmer, crofter and land manager- led landscape localised groups will be fundamental to the success of the more top-down larger scale initiatives of Regional land Use Partnerships, Nature Networks and Local Biodiversity Partnerships.

Please see answer in Section 2:1 Nature Protection and Restoration below for more detail.

There is also an opportunity here to design measures and outcomes or focused support for those crofters and farmers who manage High Nature Value land. Any AECS type equivalent should recognise the system level biodiversity benefits provided by existing HNV farming systems [so that they can access for what they are already doing – a pay by outcome approach] or it could be that HNV simply qualifies for additional support that recognises the benefits provided from the system as a whole.

Review AECS

It seems that Tier 3 will be where some form of the existing competitive Agri-Environment Climate Scheme may move to. Based on that this would facilitate a reexamination of how this currently works and how this funding can be made more accessible and have a longer-term focus which these types of actions require. NFFN responded to the recent call for views on what should be included in the budget in order to support the delivery of the Programme for Government and Bute House Agreement. Within this we asked for the Scottish Government to 'increase the budget for the Agri-Environment Climate Scheme from £35.8m (2022/23) to c£40-45m, ensuring the scheme can fully open (all options in priorities).'

AECS in its current form is a challenging fund for farmers and crofters to access. NFFN believes that the competitive element of this should be removed (which we will hopefully see in the design of Tier 2.) Further feedback from our steering group members who have attempted to or have applied and been successful includes:

'Schemes are over-prescriptive, their competitive nature leads to trading revenue items against capital items pre-submission in the hope of improving the competitiveness of the submission, window for application is tight then nothing for months on end before hearing, probably, that application failed to

make the cut; all so disrespectful of applicants so desperate to make a difference that they are prepared to risk their own money from super-tight cash flows in the hope of being successful, against the odds. Scrap it and start again. This also makes it impossible to plan cash flow to pay upfront for capital items when outcomes are long awaited and uncertain and then the long wait for repayment with very fragile financial margins. This effectively favours the larger cash secure enterprises.'

'We spent months preparing a collaborative management plan for our AECS 2022 application with 7 other farms. The application was submitted in April 2022 (during the busy lambing, calving and SAF application season). Almost 7 months later (at 23.11.2022) we have had no response from SGRIPD meaning we still cannot finalise our grazing and grassland management plan for 2023. Together with the RSPB, we have fought hard to bring other farmers on board, but, given this experience, it is not surprising that AECS is widely regarded by farmers (including almost all our immediate neighbours) as a waste of time and money. It is too prescriptive. Capital payments have not been adjusted to reflect current costs. It leads to onerous inspections and unreasonably harsh enforcement.'

'We need much greater take up AECS schemes but currently they are impenetrable to anyone who isn't an ecologist. Suggest each farm should be eligible for free consultant/or appropriately trained RPID staff to spend day on farm suggesting which schemes are appropriate. I think currently there's a small grant but this doesn't cover the costs. We had to pay out £1000s up front with no guarantee of any funding. But without the ecologists, we would not have had a clue where to start. The points system should be much more transparent with clear thresholds to meet to guarantee funding. Competitive element should be removed, (currently level of points required depends on how many apply). The design of this funding should allow for investment upfront for capital expenses.'

'The system must facilitate data collection and information sharing in order to support landscape / catchment scale projects. At present, under AECS scheme, while overall funding is a matter of public record, it is not possible to determine, for example, neighbouring or nearby farms undertaking similar land management practices such as wader grazed grassland. This information would be extremely useful in planning landscape scale projects. '

Innovation and supply chain support

NFFN has set out the key barriers to mainstreaming nature-friendly farming and crofting in our report Rethink Food: A Plan for Action and welcome the focus in this tier to support innovation and supply chain support required to mainstream nature-friendly farming.

As we know nature friendly farming is already practised by many farmers and crofters to varying degrees, but taking it to scale to the extent that we need will face many challenges. Not least, it requires a change in mindset - not just for farmers, but also policy makers, retailers, food manufacturers and consumers, whose roles in the food system are equally important.

We call for the Scottish Government to be innovative and:

- *Lead by example in procurement:* Scotland's Good Food Nation Act places duties on Government, local authorities and health boards to create good food nation plans. These plans will set out clear outcomes, indicators and policies across a range of areas relating to food including the environment, health and the economy. Preference in these national and local plans and procurement should be given to local food produced by farmers and crofters with established nature and climate friendly practices and excellent environmental land management.
- *Facilitate collaboration to drive sustainable dietary change.* Scotland needs to support a transition to more sustainable meat production, and facilitate collaboration between retailers,

farmers and consumers to achieve this goal. The emphasis and ask cannot only be on farmers to transition their livestock systems - the government needs to support this transition by identifying when meat is produced in a nature friendly way through robust standards, accreditation and transparent labelling.

'Current labelling makes it hard for those operating to high standards to differentiate in the market i.e. law stipulates that to use the term 'grass-fed' you only need to be 51% grass-fed making it impossible for those who are 100% grass-fed or Pasture for Life to market effectively.' NFFN Rethink Farming: A Practical Guide for Farming, Nature and Climate.

The Nature Friendly Farming Network supports the approach of C.L.E.A.R (The Consortium for Labelling for the Environment, Animal welfare, and Regenerative farming), advocating for farm and producer level method-of-production information to be mandatory on food labelling

Supply Chain Support

Significant barriers for the Vision for 'high quality, nutritious food locally and sustainably produced' are linked to the supply chain and infrastructure costs. These have been identified by NFFN, reflected in SOSG's recommendations above and outlined in Sustain's new report 'Unpicking Food Prices: Where does your food pound go, and why do farmers get so little?'

<https://www.sustainweb.org/publications/dec22-unpicking-food-prices/>

As Vicki Hird outlines in our 'Rethink Farming' report:

'Government should help by regulating the supply chain, investing in shorter, more farmer-focused infrastructure, and by paying for those public benefits that the markets can't - such as wildlife, clean water and public engagement. But it is clear we do not have this yet. The rewards for many farmers are low despite being the part of the food chain taking the most risks in working with natural systems and an increasingly unstable climate. Those that are managing to create great food and protecting nature, as described in this report, are doing so despite the system or because they have been lucky in securing a responsive, probably more direct customer base.'

By taking nature-friendly farming to scale across Scotland we can provide solutions to many of the interconnected challenges we face, but the current policy landscape is not doing enough to make this happen. This is a critical moment for policy makers to support systemic change in the food system.

'We urgently need farmers to change farming systems to look after nature, tackle climate change and produce healthy food. This is a huge challenge especially if the market does not pay fair.'

<https://www.sustainweb.org/publications/dec22-unpicking-food-prices/>

Both NFFN and the Soil Association Scotland have raised with the Scottish Government the particular point about the current challenge to direct selling and the lack of regional processing infrastructure particularly local abattoirs. We welcome the focus of Tier 3 on supply chain support and hope that a route forward can be found that progresses beyond the stalemate we find ourselves in where commercial suppliers are struggling to provide this service and the Scottish Government remain committed to their recommendation that "any next steps would be for a commercial operator to take this forward.'

Ultimately, a lack of investment in regional processing infrastructure will seriously hamper the Scottish Government's ambition around the Good Food Nation and Local Food Strategy. A Just Transition won't happen without the food chain infrastructure to make change possible and viable.

We also set out in our Rethink Food report, the following key ask for Scotland on supply chains and

market opportunities:

- *Ensure that trade policy sets high environmental standards for imported goods.* The Food Security Task Force recently published their plan to ensure Scottish food security in the face of the war in Ukraine. While we support the development of a food security plan and the creation of a food security unit within Government, we believe to be truly effective, they must recognise the role that nature friendly farming systems play in promoting resilience and real food security.

We also support the strong recommendations for regulation, building new routes to market, transparency and intermediaries and marketing and advertising as called for by Sustain in their Unpicking Food Prices Report- <https://www.sustainweb.org/publications/dec22-unpicking-food-prices/>

Tier 4 is proposed as complementary to Tiers 1, 2, and 3. We propose this to enable the delivery of continuous professional development (CPD), advisory services; support for tree planting, woodland management and associated supply chain support; peatland restoration and management; the agricultural transformation fund; support for areas of natural constraint; and could provide for voluntary coupled support for beef and sheep sectors. Support mechanisms developed under this tier could support individuals or groups involved in delivering targeted outcomes who are not necessarily recipients of support under tiers 1, 2 or 3.

e) Do you agree that Tier 4 should be complementary support as the proposal outlines in the consultation paper? If so what sort of Complementary Support do you think would be best to deliver the Vision?

Yes

No

Don't know

Please give reasons for your answer.

NFFN agrees that this Tier should be complementary to tiers 1,2 and 3 and again looks forward to working with the Scottish Government on the co-development process.

The complementary support which would be best to deliver the Scottish Government's Vision for Agriculture would be that which had a focus on supporting farmers and crofters to transition to agroecological and regenerative agriculture. This will help the Scottish Government achieve its ambition to become a global leader in sustainable and regenerative agriculture.

This should be the lens through which all support for continuous professional development (CPD), advisory services and the agricultural transformation fund should be designed.

NFFN along with partners Soil Association Scotland, the Scottish Crofting Federation, Landworkers' Alliance, Pasture For Life, Propagate, Commission for Food, Farming and Countryside Commission and Nourish Scotland understand the enormous potential a transition to agroecology could have in Scotland.

This potential has been captured succinctly by the FFCC and SEFARI here: <https://agroecology.sefari.scot/>

We are also working to pilot and demonstrate what this more locality focused peer to peer support

could look like through our KTIF funded Agroecology Knowledge Exchange work offering support to farmers and crofters in their transition journeys-

<https://www.nourishscotland.org/agroecology-enabling-the-transition/>

Our recent 'Rethink Food: A Plan for Action' sets out the following key asks for Scotland:

- *Fund farmer & crofter peer to peer learning* - We call upon the Scottish Government to commit to increased multi-year Investment in advisory services and knowledge transfer/peer to peer learning for farmers and crofters, to accelerate a transition to agroecological farming and land use. This can be built on current agroecology and agroforestry projects funded through the Knowledge Innovation and Transfer Fund.

We also call for all across the UK to:

Support research into nature friendly farming approaches. More evidence is needed to show how nature friendly farming creates benefits for farmers, nature and people across the board. We ask farmers, academic institutions and NGOs to collect high quality data using harmonised metrics, to demonstrate the change in their businesses, and to talk about it

Despite the Vision- this focused work on agroecology is still very much marginal and receives minimal funding in terms of being able to offer practical support, advice, training for farmers and crofters. The impacts of agroecology and nature friendly farming are also not currently prioritised within research activities supported by the Scottish Government. The co-design of this tier offers an opportunity to change this.

See NFFN response to Section 3 Skills, Knowledge Transfer and Innovation below

Agricultural Transformation Fund- capital costs

As stated under our response to Tier 3 above, infrastructure costs including farm habitat infrastructure of hedgerows, woodlands and water- are a key barrier to mainstreaming nature-friendly farming and crofting. Again the design of this fund as complimentary support should be on supporting farmers and crofters to transition to agroecological and regenerative agriculture. High upfront costs will be required to support this transition.

'Infrastructure costs can be prohibitive', said a nature friendly farmer. Some governments are rolling out capital cost funds to help support farmers to cover costs like direct drills, rotary tillers and efficient irrigation systems, while other NGOs like the Woodland Trust are providing funds to plant hedges. According to NFFN Scotland member Michael Clarke, 'we need more joined up thinking between public and private sectors.' Rethink Food Report

Support for tree planting, woodland management and associated supply chain support/ Peatland restoration and management

These are two key areas of climate action for the Scottish Government with associated set ambitious targets. NFFN understands why these have been listed within the scope of the proposed framework to ensure farmers and crofters are a valued part of working towards achieving these targets however we question whether this is where focussed support for these actions should sit. We also question if support for these should be pulled from the budget for 'complementary support.' This has the potential for pulling down a significant amount of the budget set which we think would be more effective if focused on agroecological continuous professional development (CPD), advisory services, research and development and the agricultural transformation fund.

We also believe that support for on farm and croft actions and the landscape scale of activity peatland

restoration requires is best if not competitive so would advise that this is a focus under Tiers 2 and 3. We also agree with Soil Association Scotland that If tree planting is to be included as part of complimentary support, then this should be focused on farm-scale forestry and investment in innovation/supply chain development, with support for in-field agroforestry systems covered in Tiers 1 and 2.

Areas of Natural Constraint or LFASS and coupled support for beef and sheep sectors

Support for Areas of Natural Constraint or LFASS and coupled support for beef and sheep sectors are arguably closer to direct payments than ‘complimentary support’ and we are not sure why these are included in Tier 4. We would be concerned that this would take up a significant amount of the budget for ‘complimentary support.’

More consideration is required within the co-development that will follow to understand why these payments are integral for the financial viability of numerous farming and crofting businesses in these areas in Scotland and what would be effective to ensure a Just Transition for these people and their businesses.

Our upland grasslands hold a huge opportunity for farmers and crofters of grazing animals. As our Rethink Food report sets out- ‘Focusing on the production of sustainable animal proteins using extensive systems that deliver on outcomes for nature is a key lever for change in our food system, tackling the high greenhouse gas and land footprint of animal agriculture head on. Livestock production is an important part of a nature friendly system: pasture fed ruminants play a key role in transforming grass, an inedible resource, into highly nutritious food for people. Done sensitively, grazing can be part of a biodiverse landscape - preserving valuable grasslands, and enhancing soil fertility and biodiversity as part of a rotational system. Adopting these methods can also help farmers to gain higher margins, reduce input costs and tap into higher value markets at home and abroad.’

One of the most critical links between diet and the farmed environment is our current consumption of intensively, industrially produced meat, eggs and dairy. Extensive livestock farming of our uplands has a crucial role in addressing the land use imbalance from which over 40% of the UK’s arable land and 50% of our wheat harvest is given over to animal feed.

A more sensitive and extensive approach to upland grassland management to include agroforestry / silvopastoral systems linked to areas of native wetland / woodland creation / restoration is an opportunity to provide a multi-outcome system of land-management that provides essential dietary proteins from grazed livestock, whilst enhancing our upland landscapes. Our upland and crofting landscapes are an invaluable component of our national cultural tourism offering and need special consideration. They are an invaluable national asset and our uplands must not be left to ‘Carbon Profiteers’ and blanket afforestation.

We look forward to contributing to the co-development of this area of agricultural transformation and to the elements of Tier 3 and 4 which will best contribute to the best outcome.

f) Do you agree that a ‘Whole Farm Plan’ should be used as eligibility criteria for the ‘Base Level Direct Payment’ in addition to Cross Compliance Regulations and Greening measures?

- Yes**
- No
- Don’t know

Please give reasons for your answer.

Whole Farm Management is a key part of nature-friendly farming. We set out advice for farmers and crofters in our resource 'Farming for Climate Action: What Are We Waiting For?' -

https://www.nffn.org.uk/wp-content/uploads/2022/01/NFFN-Farming-For-Climate-Action-Report_Digital.pdf

Here we encourage all farmers and crofters to undertake Whole Farm Management and guide them through a series of actions:

1. Create a Whole Farm/ Croft Plan. Look at existing opportunities and constraints of your land, and the surrounding land. Create a whole-farm/croft plan which looks at the future and factors in potential changes coming from climate change (e.g. drought, flooding, rising temperatures, pests and disease) and which seeks to work with other farmers, crofters, foresters and land managers in the surrounding landscape
2. Work towards your *Maximum Sustainable Output* and consider how profitability could be linked to your partnership with nature. (For detail on Maximum Sustainable Output and Nature Means Business see here: <https://www.nffn.org.uk/resources/nmb/> Nature Means Business is a farming approach based on recent studies that have shown how farm business profitability could be inextricably linked to nature. This research has shown that farmers continuously working with high-input high-output systems often experience less profit or are unable to break even financially. If we get the balance between food production and nature right, then we get the best value from our landscape and farm business can be more profitable as a result.)
3. Review your farming systems and find the best within your own system. You may want to consider whole system change, e.g. agroecology, pasture-led livestock, agroforestry, organic, etc

The benefits of taking time to prioritise this in what is a busy, challenging job are essential insights on a farm-basis into limits of production beyond which both nature and profit margins can be severely compromised. This exercise allows a balance to be found between food production and nature with strengthening of profit margins but as evidence is beginning to reveal, improvements to a sense of well being and mental health for whole farming families.

NFFN advice to farmers and crofters in terms of whole farm planning differs to what is described within the proposals in this consultation. We believe that the MSO (Maximum Sustainable Outcome) approach which is farmer and crofter-led, values the knowledge, skills and experience they hold and allows for autonomy on decision making on what system is best within the land they manage with greater buy-in and responsibility for the transition they will inevitably have to make.

It is imperative that Whole Farm Plans should not be seen as an onerous tick-box exercise. It needs to be a rewarding exercise providing a valuable tool for farmers and crofters to plan their business and assess what support is best for them, the land they manage, the nature they care for and the business they run.

These will have to be carefully designed, clearly defined and requirements made as simple as possible.

If approached in this way, NFFN does agree that a 'Whole Farm Plan' should be used as eligible criteria for Base Level Direct Payment. The aim would be that farmers and crofters see the value of this to help them access support within the other Tiers most suitable for their farms, crofts and systems which will help them reach their climate, soil and biodiversity goals and improve on their baselines.

g) Do you agree that the new Agriculture Bill should include a mechanism to ensure a Just Transition?

Yes

No

Don't know

Please give reasons for your answer.

Yes, a commitment to the Just Transition principles is essential within this new Bill and will offer the opportunity for the necessary consideration, coordination and co-design between various pieces of legislation, bills and strategies on food, agriculture, crofting, land, biodiversity, climate and economy.

As we set out in our Rethink Food Report:

'At the heart of the argument for a more nature centric food and farming system lie the market dynamics that have pushed nature out of farming over the last half century. While farmers play a central role in the transition to nature friendly farming, other food system actors like governments, food processors, manufacturers, retailers and consumers will play important enabling roles. These food system actors need to align to ensure that farmers have the support, knowledge, time, money and resources they need. The change that we need to be making is systemic - it is not for farmers to make this transition alone.'

We call upon the Scottish Government to:

- *Lead with strong, pro-nature agriculture, crofting and food policy.* Scotland is in the process of developing a number of different strategies, bills and frameworks - including a new Agriculture Bill, Biodiversity Strategy, Land Reform Bill, Natural Environment Bill and sector specific Just Transition Plans. While we support all of these efforts, we believe the current approach is siloed. We need a more joined up approach to food, agricultural, and nature strategies in Scotland. We ask the Scottish Government to harness the Good Food Nation Act to connect these strategies and bills to deliver a holistic vision for the future of food.

Future Payment Framework

This mechanism will also keep a focus on how to make the Future Payment Framework balanced, fair and accessible and will push Scotland to move away from area-based subsidies which currently sees the top 20% businesses take 63% of the budget, while the bottom 40% only receive 4.8% of the budget. If Tier 1 as a Base Level Direct Payment is viewed as income support for farmers and crofters, this mechanism will allow more scrutiny on where this income support should be directed. Currently, the funding system is stacked against smaller farmers and crofters who play an equally, if not arguably more important role in terms of the social, environmental and local sustainable food system benefits they provide. NFFN are currently partnering with the Landworkers' Alliance, Scottish Crofting Federation, Soil Association Scotland and Propagate with others to call on the Scottish Government to ensure that this Agriculture Bill recognises and supports the work of small farms and crofts. We look forward to continued engagement on this through the process of the Bill.

A Just Transition and access to carbon and natural capital markets

A mechanism to ensure a Just Transition within the Agriculture Bill will also tie how we design the Future Payment Framework to help achieve the Scottish Government's ambition to shape a high integrity carbon and natural capital market that both attracts private investment and benefits communities in a just transition including protection from 'Carbon Profiteers.' It is anticipated that farmers and crofters will eventually be able to access private investment through these markets to help fund the public goods they deliver. However, the transition towards this point will have to be carefully managed to 'allow Scotland to attract responsible investment and ensure the long term benefits are fairly shared by us all.' Currently, there is an unequal access to these markets (which demand scale and

long term security through land ownership or long-term security of tenure) which a sizable majority of Scotland's farmers and crofters cannot offer. The Scottish Land Commission is monitoring and documenting the unintended consequences of these emerging markets on Scotland's communities and land. Ensuring a Just Transition through the Agriculture Bill will create a focus on how we use support payments to create a level playing field for all farmers and crofters in terms of access to these new markets.

We agree with the statement in the 'Farming for 1.5' report that:

'What will make our net zero and biodiversity targets achievable is leaving no-one behind – making it easier for everyone to adopt best practice and for more farmers to innovate. This is a social and cultural challenge as well as a technical one. Tackling the nature and climate emergencies is not just about farming better. It's about redefining the role of farmers, with delivering for nature and climate on an equal footing with producing food. Stewardship has to be seen as a core professional and business value.'

h) Do you agree that the new Agriculture Bill should include mechanisms to enable the payment framework to be adaptable and flexible over time depending on emerging best practice, improvements in technology and scientific evidence on climate impacts?

Yes

No

Don't know

Please give reasons for your answer

NFFN agrees that we are facing an uncertain, unpredictable future currently and that adaptation and flexibility will be important as we create a payment framework which delivers on the outcomes and targets we need to meet.

However if 'the overall package of future support should be designed to support national efforts to halt and reverse biodiversity decline'- consideration of scientific evidence of biodiversity impacts and emerging research and best practice in agroecology must also be included within this statement along with improvements in technology and evidence of climate impacts. This will then give a much fuller picture for decision making on modifying details of the payment framework over time.

We agree on the proviso that the new Agriculture Bill should include mechanisms to enable the payment framework to be adaptable and flexible over time depending on emerging best practice, improvements in technology and scientific evidence on climate *and biodiversity impacts*'

Despite this there will need to be an element of consistency provided over blocks of time in acknowledgement of how planning and rotation planning works in farming and crofting to allow for business cash-flow planning.

i) Do you agree that the new Agriculture Bill should include mechanisms to enable payments to support the agricultural industry when there are exceptional or unforeseen conditions or a major crises affecting agricultural production or distribution?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Over the past two years, Covid-19, Brexit, the war in Ukraine, and global market turmoil have revealed the fragility of our food system. Many farmers and crofters are struggling to survive under unprecedented cost increases. At the same time, we have experienced the threat, and reality, of empty shelves and supply chain disruptions. Nature is in freefall in the UK, and levels of greenhouse gases in the atmosphere continue to mount. Food production is increasingly exposed to changing climate and extreme weather events. The protection offered by healthy soils and intact ecosystems is lacking across much of our agriculture land. Currently, farming is a major contributor to the ecological crises that are undermining its long-term viability.

Unfortunately while we are in the process of transitioning to more regenerative and sustainable agriculture these shocks and crises are going to happen and the new Agriculture Bill will need these mechanisms to respond.

However, the expectation would be that as we move into agricultural systems that are regenerative and sustainable, we will see resilience gradually being built into our food and farming systems.

This is why a transition to agroecological and regenerative agriculture is so imperative. It is at the heart of solutions to these multifaceted challenges. By working with nature, we can

- Ensure a resilient food supply
- Promote diverse and healthy diets;
- Counter the climate and ecological emergencies. Farming and crofting differently can provide solutions to the nature and climate emergency – and provide us with reliable, nutritious, healthy food whilst remaining economically sustainable for those who produce food.

B. Delivery of Key Outcomes

Climate Change Adaptation and Mitigation

- a) Do you agree with the proposal set out in the consultation paper, in relation to the new Agriculture Bill including measures to allow future payments to support climate change mitigation objectives? Do you have any views on specific powers and/or mechanisms that could support such alignment?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Yes NFFN agrees with this and welcomes the Scottish Government's support for integrated land management and ensuring farmers, crofters and land managers have access to the benefits, both economic and social, that this approach will bring with potential new income streams while continuing sustainable production of food and other products from our natural assets.

An important point to consider is around how schemes are designed to support actions which result in climate change mitigation & adaptation. It will be quite challenging to build all of these into an area based scheme. It may be more effective to develop non-competitive enhanced schemes based on an agreement to meet outcomes by doing this rather than trying to create a standardised payment system. More tailored targeted actions at a farm/ croft level which are paid for via a contractual agreement between farmers/ crofters and the state will be more effective. Regulation should serve to avoid harm and public funding should pay for public benefits.

Our report 'Farming for Climate Action' also sets out important points:

https://www.nffn.org.uk/wp-content/uploads/2022/01/NFFN-Farming-For-Climate-Action-Report_Digital.pdf

'The emissions from agriculture are understandably in the spotlight, when it comes to climate change mitigation, driven by the overarching net zero target. However, farming and crofting contribution to the degradation of the natural environment has made landscapes less able to naturally sequester and store carbon and ecosystems less resilient to global warming.

While on-farm/ croft action is urgently needed to reach net zero, it is vital that a reduction in farming's emissions is not the only focus for climate mitigation, nor should it come at the expense of climate resilience.

Climate resilience – which is achieved through the restoration of the natural environment – will provide landscapes with the necessary protection to withstand the pressures of a changing weather system, while simultaneously enabling efficient carbon sequestration and storage through natural processes. This is equally important to achieving net zero and cannot be overlooked in measures to offset carbon. Biodiversity restoration and the carbon potential of well-managed habitats, including soils, grasslands and hedgerows, must be balanced carefully with land use strategies for decarbonising.

But the context within which farmers and crofters are currently addressing this challenge is fraught with uncertainty. From the future of agriculture regulation and payment schemes, to trading negotiations and changing consumer demands - it is extremely difficult to plan and make decisions about the future. Combined with the criticism around farming's role in contributing to climate change, it is no surprise that confusion and fear is often the dominant response to the scale of the challenge at hand.

Yet what remains absolute is the positive role that agriculture can play in helping achieve the UK's climate ambitions – but only when farming and land use is part of the solution.'

Whatever the system, size and approach, there is a range of actions available to every farmer, crofter and land manager. There are many ways to both reduce GhG emissions and capture carbon in the land farmers and crofters manage.'

The report then offers a practical planning tool for farmers and crofters which lists eight management processes with three suggested actions under each, all of which can unlock multiple benefits for climate, nature and farm/croft business.

Please view here:

<https://www.nffn.org.uk/wp-content/uploads/2022/01/NFFN-Climate-Actions-Benefits-Table.pdf>

- b) Do you agree with the proposal set out in the consultation paper, in relation to the new Agriculture Bill including measures to allow future payments to support climate

change adaptation objectives? Do you have any views on specific powers and/or mechanisms that could support such alignment?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Please see answer provided above.

c) Do you agree with the proposal, in relation to the new Agriculture Bill including a mechanism to enable payments to be made that are conditional on outcomes that support climate mitigation and adaptation measures, along with targeted elective payments?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Please see answer provided above.

d) Do you agree with the proposal set out in the consultation paper, in relation to the new Agriculture Bill including measures that support integrated land management, such as peatland and woodland outcomes on farms and crofts, in recognition of the environmental, economic and social benefits that it can bring?

- Yes**
 No
 Don't know

Please give reasons for your answer.

As stated above support for on farm and croft actions and the landscape scale of activity peatland restoration requires is best if not competitive so would advise that this is a focus under Tiers 2 and 3. We also agree with Soil Association Scotland that If tree planting is to be included as part of complimentary support, then this should be focused on farm-scale forestry and investment in innovation/supply chain development, with support for in-field agroforestry systems covered in Tiers 1 and 2.

Nature Protection and Restoration

a) Do you believe the new Agriculture Bill should include a mechanism to protect and restore biodiversity, support clean and healthy air, water and soils, contribute to reducing flood risk locally and downstream and create thriving, resilient nature?

- Yes
 No
 Don't know

Please give reasons for your answer.

Yes this mechanism will be essential - if we don't urgently protect, restore and regenerate biodiversity in Scotland, producing bountiful, nutritious food without a biodiverse and fertile environment will be impossible.

Nature is farming and crofting's greatest resource.

As set out in our Rethink Food report:

'Nature friendly farming provides multiple sources of resilience. Rather than resorting to greater levels of input dependent intensification, it is now becoming clear that farming with and for nature is key to increasing the long-term resilience of agricultural production, and therefore our food security.

Protecting the soil through reduced tillage and cover cropping; agroforestry; increasing natural soil fertility; nitrogen fixing legumes; rotations; better crop residue management, and livestock integration with cropping systems, as well as increasing and managing habitat for wildlife throughout the farm, can all play a role. Together these kinds of measures have multiple resilience benefits. These include:

- Reduces fertiliser use
- Natural pest control
- Resistance to extreme weather events
- Reduced nutrient loss
- Reduced energy use
- Reduced on-farm bills
- Improved animal health

The economics of nature-friendly farming stack up. By reducing input dependence and adopting regenerative agriculture methods, farms and crofts can reduce costs and boost profitability. While intensive agriculture has achieved high productivity, it has also come at a high cost. Soil degradation in the UK costs an estimated £1.2bn every year and we have already lost 40-60% of the UK's soil organic carbon. Public goods from agriculture like carbon sequestration, soils, nature and healthy food have huge value that are only belatedly being recognised.'

As one of our steering group members state:

'Yes, payments must be conditional on nature restoration outcomes, not merely carbon outcomes. All farms must participate in tackling biodiversity crisis, not merely those who elect to act. All farms are capable of making relatively small changes to their farms (whether habitat creation or improvement or changes to the farming calendar) to benefit biodiversity.'

As NFFN set out in our Rethink Food report:

'Farm and croft land was once a rich refuge for plant and animal species that co-evolved with agriculture and lived alongside human activities. Today, this farm and croft land biodiversity is severely depleted, with many once-common farmland birds, flowers and invertebrates at risk. This is highly significant at national scale, as agricultural land makes up 80% of total land in the Scotland. Nature simply cannot survive on the remaining 20% of land alone, isolated in poorly connected nature 'islands'. This is important not just for nature in its own right, but also for food security. Biodiversity on

and near farm and croftland fulfils important ecosystem services such as pollination and pest control. Species loss leaves agricultural systems more vulnerable to pests, pathogens and climate change. While the expansion of intensive agriculture has been responsible for biodiversity loss across the UK, farming systems are a vital part of the solution, which lies in a balanced approach to land use (land sharing not land sparing.)

See answers in Section 1 above

b) Do you believe the new Agriculture Bill should include a mechanism to enable payments that are conditional on outcomes that support nature maintenance and restoration, along with targeted elective payments?

- Yes
- No
- Don't know

Please give reasons for your answer.

Yes and enabling payments conditional on outcomes rather than a prescriptive list of actions is integral. NFFN welcomes the focus of an outcomes based approach and urges the Scottish Government to stay committed to this through the co-development of these enhanced level direct payments. Each farm and croft is unique as will be the associated on-farm/croft solutions to restoring nature, lowering their carbon footprint and producing sustainable food. Farmers and crofters require the autonomy to make decisions based on what their land holdings can deliver and the required adaptations in practice to work from their carbon, soil and biodiversity baselines.

This will be more challenging to administer rather than a prescriptive. action-based approach but will result in the change we need farmers and crofters to make.

'Outcome based payments are good for improving and creating habitat infrastructure (fixed tangible assets), and could be used to design habitats for particular species but not for the species themselves, though higher payments could be made on the basis of evidence of (specialist) species presence.'

See answers in Section 1 above

c) Do you believe the new Agriculture Bill should include a mechanism to enable landscape/catchment scale payments to support nature maintenance and restoration?

- Yes
- No
- Don't know

Please give reasons for your answer.

'Farm clusters' and working at a landscape scale to address biodiversity loss, and to restore ecosystem function and capacity of landscape scale Carbon and Nitrogen cycling is the only way we can tackle this at scale and farmers and crofters should be supported to work collectively in collaboration with ecologists and other specialists to enact this work across Scotland. Nature requires us to provide a landscape mosaic of connected natural habitats & nature-friendly farmers and crofters cannot provide this individually.

While every action to restore nature is vital, an individual's actions can only deliver so much. When collaboration is fostered between farmers and crofters, local communities and environment advisors- with a shared ambition to deliver more for nature- then greater outcomes can be achieved. These types of schemes allow farmers and crofters to work in partnership across a region and address landscape challenges, such as biodiversity loss, soil health, peatland restoration or water quality, while producing high quality food on a wider scale.

With 80% of landmass covered by agriculture and 44% of this land classed as high-nature value, farmers & crofters are our most important land stewards. They have a strong local knowledge for building environmental management plans from a regional and farmer and crofter-led perspective.

As one of our steering group members state:

'This new framework must support collective action as well as individual farm level. Nature restoration cannot be achieved on a piecemeal basis. A landscape scale approach is necessary for deer management. For example, it is becoming a particular problem in Angus' marginal uplands due to large scale afforestation of upland estates driving red deer down to the margins. Deer management, of both reds and roe, needs to be addressed at landscape scale in order to permit natural regeneration and small scale woodland creation (if deer fencing is not funded) and farmers are not resourced as gamekeepers.'

Recognising the importance of area based, farmer and crofter-led cluster working, we are piloting this approach with our partners through our KTIF 'Agroecology: Enabling the Transition' outlined above. This year we are working with groups of farmers, crofters and growers based in the Borders, North East, Dumfries and Galloway, central belt, west coast (mainland) and a group based in Islay, Jura, Colonsay and Gigha.

This needs to be supported, funded and scaled up across Scotland as this type of bottom-up farmer and crofter-led knowledge exchange and action will be fundamental to the success of the more top-down landscape, land use planning and nature restoration initiatives including Regional Land Use Partnerships, 30 x 30 and Nature Networks frameworks and plans and local Biodiversity Partnerships. All rely on the collaboration, engagement, action and investment of farmers, crofters and land use managers to embed the change required to tackle the nature and climate emergencies. Currently farmers and crofters feel very distant from all of these.

As well as being part of the Scottish Biodiversity Programme - Stakeholder Engagement Group, NFFN is also currently working with several of the RLUPs and Local Authorities to encourage greater engagement in and involvement of farmers and crofters in all of the above. It is very clear that investment in regional based peer to peer farmer and crofter-led knowledge exchange landscape cluster groups would help significantly with this.

Please see our response in Section 3 'Skills, Knowledge Transfer and Innovation' for more detail on this and our associated ask for:

A £200m ten-year co-deigned, industry partner-led, funded programme of regenerative and agroecological learning, research and development and regional based peer to peer farmer and crofter-led knowledge exchange supported across Scotland (£20 million per annum.)

High Quality Food Production

a) Do you agree that the powers in the Agriculture and Retained EU Law and Data (Scotland) Act 2020 should be extended to ensure Scottish Ministers have flexibility to better respond to current, post exit, circumstances in common market organisation and easily make changes to rules on food?

- Yes**
 No
 Don't know

Please give reasons for your answer.

b) Do you agree that Scottish Ministers should have powers to begin, conclude, or modify schemes or other support relevant to the agricultural markets?

- Yes**
 No
 Don't know

Please give reasons for your answer.

c) Do you believe the new Agriculture Bill should include a mechanism to enable payments that support high quality food production?

- Yes**
 No
 Don't know

Please give reasons for your answer.

NFFN supports the description of high quality food production as set out in the Vision - "high quality, nutritious food locally and sustainably produced is key to our wellbeing – in economic, environmental, social and health terms. We will support and work with farmers and crofters to meet more of our own food needs sustainably and to farm and croft with nature' and would agree on this basis that the Agriculture Bill should include a mechanism to allow payments to support this.

Key to this is to direct support towards farmers and crofters who do produce high, quality food with nature. This is not business as usual and will necessitate, as recognised by the Cabinet Secretary 'a significant transition.'

As set out in our Rethink Food report and earlier in this consultation business as usual of input-driven farming and crofting is not an option. 'Our food system is failing to deliver good health outcomes, is highly vulnerable to shocks in an increasingly turbulent world, and is one of the major contributors of the breakdown of climate and ecosystems worldwide. But given the right approach, viable and profitable farming and crofting can play a leading role in achieving net zero and help reverse the decline in nature, all whilst delivering health and food security outcomes.'

Nature friendly farming is nothing new for the agriculture sector - indeed, farmers and crofters have intimate knowledge of the natural world and landscapes in which they operate, and many farmers and crofters instinctively and deliberately maximise the value of nature on and around their farms. Policy now needs to catch up so that the perverse incentives of the past do not continue to force people into practices that degrade habitats and ecosystems. It is therefore vital that new payment structures reflect the urgent need to address the climate and nature emergency, and are rolled out at pace - despite calls from some to water down and delay the implementation of measures designed to support nature recovery and sustainable farming. Whilst these arguments use food security as a justification to slow down or change course entirely, as we show in this report, sustainable farming systems will boost and support a resilient food system for all the countries of the UK. Indeed, future policies need to go much further and there is much more to do to move towards a truly sustainable farming and food systems.'

NFFN would like to see targets set set for getting high quality, nature friendly Scottish food into Scottish plates to sit alongside our targets for Zero Carbon and Biodiversity.

Our Good Food Nation Act offers a huge opportunity to get high quality, nutritious food locally and sustainably produced onto plates to support our farmers and crofters. One of our key asks is to all those responsible for procurement to lead by example:

'Scotland's Good Food Nation Act places duties on Government, local authorities and health boards to create good food nation plans. These plans will set out clear outcomes, indicators and policies across a range of areas relating to food including the environment, health and the economy. Preference in these national and local plans and procurement should be given to local food produced by farmers and crofters with established nature and climate friendly practices and excellent environmental land management.'

- d) Do you believe the new Agriculture Bill should include a mechanism to provide grants to support industry in the agri-food supply chain to encourage sustainability, efficiency, co-operation, industry development, education, processing and marketing in the agri-food sector?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Yes NFFN agrees that the Agriculture Bill should provide a mechanism to provide these grants to support the agro-food supply chain.

Again with proviso that the food supported in the agro-food supply chain is "high quality, nutritious

food locally and sustainably produced’ and these grants are directed to all in the agro-food chain to ‘support and work with farmers and crofters to meet more of our own food needs sustainably and to farm and croft with nature.’

There is an inherent contradiction in our food system at the moment that pushes production at a farm/croft level while wasting considerable volumes of food and drink along the way.

As outlined in our Rethink Food: The Need for Change report:

‘At the farm level, food is wasted due to unpredictable and inefficient external influences that range from weather conditions, pest infestations, overproduction and market saturation to excess production, fluctuating market prices, quality control and aesthetic standards. Despite improvements to on-farm mechanisation and infrastructure, research has indicated that farm waste is higher in middle- and high-income countries such as the UK. To reduce this waste, manufacturers must be held to account for overordering, unnecessary cosmetic standards and marketing which incentivises over-buying foods high in fat, sugar and salt.’

e) Do you believe the new Agriculture Bill should include powers for Scottish Ministers to declare when there are exceptional or unforeseen conditions affecting food production or distribution?

Yes

No

Don't know

Please give reasons for your answer.

Yes, NFFN are supportive of Scottish Ministers, in consultation with industry, to have the powers to declare when there are “exceptional or unforeseen conditions”, provided these are clearly defined terms in the declaration.

We agree that we are facing an uncertain, unpredictable future as outlined in our Rethink Food report:

‘It is becoming abundantly clear that many parts of this complex system are under strain, and multiple recent shocks have shown that in some places it is close to breaking point. The War in Ukraine has caused sky-rocketing energy and commodity prices, with knock-on effects on key inputs to the farming system - squeezing margins and making some activities unprofitable.

The COVID-19 pandemic disrupted global supply chains and changed demand patterns, leading to empty supermarket shelves. Brexit has seen a decline in UK food exports and serious labour shortages in the sector. At the same, the impacts of climate change are growing increasingly obvious.

The UK's climate is growing hotter and wetter overall , with England, Scotland, Wales and Northern Ireland all recording highest ever daily maximum temperatures in July 2022, posing additional challenges for farmers in terms of the quality and productivity of their crops. If we don't urgently cut emissions, climatic extremes will only get more severe and frequent into the future. This combination of short-term shocks and longer-term structural threats is putting the resilience of our food system in question.’

- f) Do you believe the new Agriculture Bill should include powers for Scottish Ministers to provide financial assistance to the agri-food sector and related bodies whose incomes are being, or are likely to be, adversely affected by the exceptional or unforeseen conditions described in the declaration referred to in the consultation paper?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Yes, as above

- g) Do you agree that the new Agriculture Bill should include the powers to process and share information with the agri-food sector and supply chains to enable them to improve business efficiency?

- Yes
 No
 Don't know

Please give reasons for your answer.

Transparency is vital in any sector as is data collection and analysis. However, this question needs to be clearer on what it wants to achieve and what it means by 'improving business efficiency.'

Wider Rural Development

- a) Do you agree that the proposals outlined in the consultation paper should be included in the new Agriculture Bill?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Yes NFFN agrees with the continuation of support for rural and island communities, previously covered under the CAP Rural Development Plan and agrees that the proposals should be included in the new Agriculture Bill.

However, it is not clear currently from the figure diagrams where wider rural development would sit within the Agriculture Support Package Beyond 2025. Ideally it is an outcome that should inform decision-making and design of mechanisms across all tiers.

Inspiration for a much clearer objective for rural development could be taken from the proposals for a Welsh Agriculture Bill which includes: "to conserve and enhance the countryside and cultural

resources, and promote public access to and engagement with them, to sustain the Welsh language and promote and facilitate its use”.

A comprehensive strategy for rural development should address the main drivers of population retention/loss/recruitment in marginal areas, which includes the issue of adequate affordable housing.

Support for agritourism also offers an opportunity to showcase, not only Scotland's food and drink, but also Scotland's outstanding natural resources and our industry's agroecological achievements e.g. via farm tours, educational visits / courses and eco-tourism, whilst also ensuring that family farm's have diversified income streams and long-term, sustainable futures. In the words of Cabinet Secretary Mairi Gougeon, 'Scottish Agritourism has a long-term sustainable future that delivers a high quality, authentic visitor experience with agriculture and food and drink at its core, sustaining the future of family farms in Scotland contributing to the rural economy and positioning Scotland as a key player in global agritourism' (foreword to the Scottish Agritourism Strategy, November 2021)

b) Are there other areas relating to non-agricultural land management such as forestry that you would like considered for support under the Agriculture Bill to help deliver integrated land management and the products produced from it?

Yes

No

Don't know

Please give reasons for your answer.

We have to stop viewing forestry as non-agricultural land management and work towards integrating our agriculture and forestry sectors. A commitment to funding agroforestry across the tiers of the Future Payment Framework has the potential to change mindsets and practice in both sectors.

NFFN supports the work of Soil Association Scotland and we will also continue to engage alongside them to support the development and design of a new system of support better suited to on-farm agroforestry systems such as silvoarable, silvopastoral planting and hedgerow creation.

'I don't think the proposed future support framework brings agriculture and forestry close enough. They're still being treated as separate enterprises. Change will be less than hoped for without 're-education' of both government officers and farmers. Otherwise the new legislation will be interpreted to fit the old ways.' NFFN Scotland member

c) What other powers may be required to enable rural development in Scotland's rural and island communities?

Yes

No

Don't know

Please give reasons for your answer.

d) What potential social, economic or other impacts, either positive or negative, would such powers have on Scotland's rural and island communities?

- Yes
- No
- Don't know

Please give reasons for your answer.

Animal Health and Welfare

a) Do you agree that the new Agriculture Bill should include powers to establish minimum standards for animal health, welfare as a condition of receiving payments?

- Yes**
- No
- Don't know

Please give reasons for your answer

High animal health and welfare is key to regeneratively raising animals. If we are to be a global leader in regenerative and sustainable agriculture, moving away from intensively produced meat, eggs and dairy will be necessary. NFFN partners with Compassion in World Farming and supports their call for a ban on factory farming. We also agree with CWF that 'good animal welfare is closely related to: the production of healthy food; reduced incidence of antibiotic resistance, and diseases; beneficial environmental outcomes (e.g. reduced ammonia emissions and water pollution); and reduced competition for grain.'

We are also seeing the widespread impact of our reliance on intensively reared chicken 'poultry has risen stratospherically and now accounts for over 50% of meat eaten in the UK. Over 95% of broilers are kept in intensive units and have been bred to be efficient feed converters, growing to slaughter weight in only 5-7 weeks. This means that the chickens we eat today have 2.5x more fat than in 1970, 69% less iron, 26% less phosphorus and 5x less Omega 3 fatty acid.⁷⁹ As well as providing less nutrition per unit of product, today's poultry production has a heavy environmental footprint. Chickens and pigs are responsible for the majority of the UK's livestock feed footprint - over 2million ha in the UK and 850,000ha abroad for soy alone. In addition, improper storage and disposal of manures produced by intensive poultry units creates severe water and air pollution.' NFFN Rethink Food: A Plan of Action - https://www.nffn.org.uk/wp-content/uploads/2022/10/nffn_report_final.pdf

NFFN agrees that minimum standards for animal health and welfare should be a condition of receiving payments.

b) Do you agree that the new Agriculture Bill should include powers to make payments to support improvements in animal health, welfare and biosecurity beyond legal minimum standards?

- Yes**
 No
 Don't know

Please give reasons for your answer.

c) Do you agree that the new Agriculture Bill should include powers to collect and share livestock health, welfare and biosecurity data?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Plant Genetic Resources and Plant Health

a) Do you agree that Scottish Ministers should have powers to provide support for the conservation of Plant Genetic Resources, including plants developed and grown for agricultural, horticultural or forestry purposes and their wild relatives?

- Yes**
 No
 Don't know

Please give reasons for your answer.

This response is given with a qualification regarding Genetic Modification / Genetic Engineering which NFFN strongly advocates has no useful part to play in the transformation of agriculture to regenerative, agroecological practices which are productive and profitable. Not least the UK is a signatory to the The UN Convention on Biodiversity which includes the 'Cartagena Protocol' on Biosafety.

Genome edited organisms are still included in this Protocol because they contain novel combinations of genetic material obtained through the use of modern biotechnology. This is also the case with GMOs which differ only in the source of genetic material used (another species). In both cases modern biotechnology has overcome natural physiological reproductive barriers through in-vitro changes (ie outside the living organism), to genetic material. These techniques are not known in nature and are not used in traditional breeding and selection. Gene Editing and Genetic Modification are essentially the same and do not satisfy the Cartagena Protocol criteria on Biosafety.

b) Do you agree that Scottish Minister should have the power to provide support to protect and improve plant health?

- Yes**
 No
 Don't know

Please give reasons for your answer.

Skills, Knowledge Transfer and Innovation

a) Do you agree that support should continue to be provided in this area?

- Yes**
 No
 Don't know

Please give reasons for your answer.

It could be argued that investment into skills, knowledge transfer and innovation will be the most effective use of the Future Payment Framework over the next ten years as we move through what the Cabinet Secretary has titled 'a journey of significant transformation.'

The speed at which this transformation will need to happen will challenge all working within and supporting this sector.

b) Is there any particular gaps in delivery that you can identify?

- Yes**
 No
 Don't know

Please give reasons for your answer.

In terms of a Just Transition, access to the appropriate skills, knowledge and innovation needs to be available to all farmers and crofters in Scotland. There is also an urgent need for research to catch up with the practices farmers and crofters are incorporating into their systems. There is also currently no course for agroecology, and no course in Scotland for agroforestry.

As stated earlier in our Rethink Food: A Plan for Action, NFFN Scotland:

- Call upon the Scottish Government to commit to increased multi-year Investment in advisory services and knowledge transfer/peer to peer learning for farmers and crofters, to accelerate a transition to agroecological farming and land use. This can be built on current

agroecology and agroforestry projects funded through the Knowledge Innovation and Transfer Fund.

We also call for all in the UK to:

- Support research into nature friendly farming approaches. More evidence is needed to show how nature friendly farming creates benefits for farmers, nature and people across the board. We ask farmers, academic institutions and NGOs to collect high quality data using harmonised metrics, to demonstrate the change in their businesses, and to talk about it

The gap in delivery is the level of funding and support currently attributed to this. This requires investment to begin now at a farm and croft level to achieve the transformation in agriculture required by 2030.

Working on longer-term, we would also like to explore whether agroecology and agroforestry could be developed as courses in their own right or included in mainstream agriculture courses at e.g. SRUC and others.

c) Are there any alternative approaches that might deliver better results?

Yes

No

Don't know

Please give reasons for your answer.

A £200m ten-year co-designed, industry partner-led, funded programme of regenerative and agroecological learning, research and development and regional based peer to peer farmer and crofter-led knowledge exchange supported across Scotland (£20 million per annum.)

Within our research, NFFN identifies the lack of suitable support systems and training as a key barrier for changing to more nature-friendly agricultural practices. Current education for farmers & crofters is not providing the required tools and knowledge. Onfarm advice and training has been too focused on providing the skills and knowledge needed to increase production. As such, many farmers/ crofters don't know where to begin changing the agricultural practices they have used for decades.

There is also very little in the current research strategy that will help to improve the development and expansion of agroecological farming systems that have climate and nature benefits. Greater research effort overall should be focused on identifying what more sustainable farming and food production systems looks like and how they could be encouraged.

Future research activities should be carefully thought through ensuring stakeholder engagement, across the spectrum of farms & crofts in the sector, at the point of experimental design. Taking an approach similar to EU Horizon funding (https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en) will ensure greater sector influence in research. It will also make sure that research is kept ahead of the most progressive in the sector.

Support for Living Labs (<https://enoll.org/>) where the sector is fully engaged in action research, again, similar to EU Horizon funding, will embed the agriculture sector in research programmes

NFFN acknowledges and appreciates the movement which is being made in terms of focus and support offered to farmers and crofters through an inclusive one to one approach to understand what they can deliver in terms of reducing emissions and for biodiversity and sequestration as well as producing high quality food. The launch of the National Test Programme and support for Integrated Management Plans are hugely positive and reflect a commitment to industry change. Also appreciated is the investment in to knowledge transfer through the creation of the Integrated Trees Network, the Agriculture Biodiversity Climate Change Network (ABCCN) and investment through KTIF into agroecology and agroforestry peer to peer knowledge exchange and investment into FAS to support them to deliver more hosted farm/ croft visits and resources focusing on more regenerative, low input practices.

However as part of the 'significant transition' we need to see a reflected urgent significant uplift in funding into all of this.

The NFFN agrees with the Climate Emergency Response Group's recommendation in its latest report 'Unlocking Scotland's response to the climate emergency' which identifies 'Investment in advice and skills for farmers and crofters to support a just transition' as one of four practical, immediate actions that can and must be taken now to avert the worst impacts of the climate crisis.

We would go further and add that it is also a practical and immediate action which can be taken now to restore and regenerate biodiversity in Scotland to meet the outcomes and milestones set out in the proposed Biodiversity Strategy.

As the CERG states:

'All farmers and crofters should receive the advice they need to transition to climate and nature friendly practices. The Scottish Government has the powers to deliver these changes now – advice, training and knowledge sharing is fully within the government's control and requires no legislative changes. If acted on, this proposal will speed up the transition to achieve the government's vision of 'sustainable and regenerative farming' by helping farmers, land managers and crofters understand and have the confidence to take up new measures at the earliest possible moment.'

NFFN supports CERG's call for 'The combined budget for training, knowledge sharing, and advice needs to rapidly increase year-on-year from 2024, scaling up to reach £20 million per annum by 2027'

This will only be possible if the current spending on direct payments to farmers and crofters is capped and a significant amount (£200m) reinvested into a committed ten-year funded programme of regenerative and agroecological learning, research and development and a regional based peer to peer farmer and crofter-led programme of knowledge exchange supported across Scotland.

d) Do you have any ideas as to how engagement/participation in advisory services, knowledge transfer or skills development might be improved?

Yes

No

Don't know

Please give reasons for your answer.

As above

- e) Do you agree that Scottish Ministers should have the power to establish a national reserve and regional reserve if/when required to ensure the equal treatment of farmers and to avoid distortions of the market and of competition?

- Yes**
 No
 Don't know

Please give reasons for your answer.

More clarification and detail on 'specific disadvantages' and 'equal treatment' required to understand what is being proposed here to be able to answer.

In theory, yes as stated earlier in Section 1, NFFN supports the strong recommendations for regulation, building new routes to market, transparency and intermediaries and marketing and advertising as called for by Sustain in their Unpicking Food Prices Report-
<https://www.sustainweb.org/publications/dec22-unpicking-food-prices/>

Also as stated above, NFFN would like to see the Food Security Task Force recognise the role that nature friendly farming systems play in promoting resilience and real food security. We would also like to see preference in national and local food plans and procurement given to local food produced by farmers and crofters with established nature and climate friendly practices and excellent environmental land management.

C. Administration, Control, and Transparency of Payment Framework Data

- a) Do you agree that Scottish Ministers should have the power to create a system that provides for an integrated database, to collect information in relation to applications, declarations and commitments made by beneficiaries of rural support?

- Yes**
 No
 Don't know

Please give reasons for your answer.

- b) Do you agree that Scottish Ministers should have the power to create a system that collects and shares information for the purposes of carrying out management, control, audit and monitoring and evaluation obligations and for statistical purposes, subject to General Data Protection Regulation (GDPR) requirements?

- Yes**
 No
 Don't know

Please give reasons for your answer.

c) Do you agree that Scottish Ministers should have the power to share information where there is a public interest in doing so, and subject to complying with the General Data Protection Regulation GDPR?

- Yes**
- No
- Don't know

Please give reasons for your answer.

d) Do you agree that Scottish Ministers should have the power to create a system that provides a mechanism that aligns with the principles of the Scottish Public Finance Manual (SPFM) that ensures proper handling, reporting, and recovery, where proportionate, of public funds, the need for economy, efficiency and effectiveness, and promote good practice and high standards of propriety?

- Yes
- No
- Don't know

Please give reasons for your answer.

e) Do you agree that Scottish Ministers should have the power to create a system that provides the data required to undertake administrative checks on applications / claims made by beneficiaries for rural support?

- Yes**
- No
- Don't know

Please give reasons for your answer.

f) Do you agree that Scottish Ministers should have the power to create a system whereby on-the-spot-checks should be undertaken to further verify applications / claims made by beneficiaries for rural support?

- Yes**
- No
- Don't know

Please give reasons for your answer.

g) Do you agree that Scottish Ministers should have the power to create a system that would provide for cross compliance, conditionality that covers essential standards in relation to sustainable environment, climate, Good Agricultural and Environmental Condition (GAEC), land, public and animal health, plant health and animal welfare, Soil health, carbon capture and maintenance?

- Yes**
- No
- Don't know

Please give reasons for your answer.

h) Do you agree that Scottish Ministers should have the power to create a system that provides a mechanism to support the delivery of practices aligned to receipt of elective payments, for targeted outcomes?

- Yes**
- No
- Don't know

Please give reasons for your answer.

i) Do you believe that Scottish Ministers should have the power to monitor and evaluate outcomes to ensure they meet the agreed purpose and help better inform future policy?

- Yes**
- No
- Don't know

Please give reasons for your answer.

j) Do you believe that Scottish Ministers should have the power to seek independent assurance that outcomes are delivered appropriately?

- Yes**
- No
- Don't know

Please give reasons for your answer.

- k) Do you agree that Scottish Ministers should have the power to enable the publication of details pertaining to recipients who receive payments including under the future payment model (outlined in the consultation paper) and set a level above which payment details will be published?

Yes

No

Don't know

Please give reasons for your answer.

- l) Do you agree that technical fixes should be made to the Agriculture and Retained EU Law and Data (Scotland) Act 2020 to ensure Scottish Ministers have all requisite powers to allow CAP legacy schemes and retained EU law to continue to operate and be monitored and regulated and also to ensure Scottish Ministers have flexibility to better respond to current, post exit, circumstances?

Yes

No

Don't know

Please give reasons for your answer.

D. Modernising Agricultural Tenancies

Agreement to diversification

- a) Do you agree that Scottish Ministers should have a power to be able to determine what is an acceptable diversification?

Yes

No

Don't know

Please give reasons for your answer.

Nature friendly farming is explicit in recognising that farmers and crofters play multiple roles in our national economy and landscape. Farmers and crofters produce food, but they also protect, restore and expand valuable habitats and ecosystems on and around their land.

One of the barriers NFFN has identified to mainstreaming nature friendly farming is the issue of short-term focus from land agents and owners:

‘For tenant farmers, making long term commitments to improve the state of nature on their farm can be very challenging without the support of a landlord. The rules governing tenant farming will need to change to ensure these stewards have the same opportunity as owner occupiers. Land agents and owners are in a key position to help tenant farmers to nurture long-term sustainable returns’

As we state ‘The farm of the future will look less specialised, and more diverse, with a wider range of crops and income streams. Farming will capitalise on opportunities to grow crops that can fulfil demands for dietary change, including new sources of healthy plant protein. At the same time we will optimise the ways in which we produce livestock, reducing reliance on imported soy and grains that impose a heavy environmental burden overseas.’

Rethink Food: A Plan for Action

While there is much tenant farmers can do in terms of diversification at the moment, this power will be necessary to widen what is agreed as an acceptable diversification if all farms are to transition to nature friendly and regenerative practices and widen income streams.

This will also be essential given the dynamic nature of the challenges and opportunities facing tenant farmers and crofters in a constantly changing world.

As with an outcomes based approach, this should be a set of principles not a set list.

- b) Do you think that if this power is given to Scottish Ministers that the Tenant Farming Commissioner should have the ability to issue guidance to assist tenant farmers and landlords understand this.

Yes

No

Don't know

Please give reasons for your answer.

The role of the Tenant Farming Commissioner and the Codes of Practice and Guidance produced have been incredibly useful for the sector and supporting good landowner/ tenant relations so yes the TFC should have the ability to issue guidance on what is an acceptable diversification if this power is given.

Waygo and Schedule 5 of the Agricultural Holdings (Scotland) Act 1991

- a) Do you agree that Scottish Ministers should add new activities and items onto Schedule 5 of the Agricultural Holdings (Scotland) Act 1991; to enable tenant farmers to support biodiversity and undertake climate change mitigation and adaption activity on their tenant farms?

- Yes**
- No
- Don't know

Please give reasons for your answer.

To achieve a significant transition to sustainable and regenerative farming, barriers for all farmers will have to be removed including those for tenant farmers. If successful, this transition will inevitably see tenant farmers undertaking new activities on their farms to support biodiversity and climate change mitigation and adaptation. It seems sensible that the agricultural improvements and fixed equipment necessary to enable tenant farmers to be able to support biodiversity and take action to mitigate or adapt to climate change should be added onto Schedule 5 of the Agricultural Holdings (Scotland) Act 1991 to be considered during waygo.

- b) Do you agree that Scottish Ministers should have a power to amend Schedule 5 of the Agricultural Holdings (Scotland) Act 1991 by secondary legislation to enable Schedule 5 to be changed to meet the future challenges?

- Yes**
- No
- Don't know

Please give reasons for your answer.

- c) If you do not agree that Scottish Ministers should have the ability to vary the activities and associated items listed on Schedule 5 of the Agricultural Holdings (Scotland) Act 1991 please explain why, including any alternative approach you have to address this issue.

- d) Do you agree that when an agricultural tenancy comes to an end a tenant farmer should have certainty about the timescale by when they will receive any money due to them, and their landlord should also have a similar certainty?

- Yes**
- No
- Don't know

Please give reasons for your answer.

Amendment to rules of good husbandry and good estate management

- a) Do you agree that the Scottish Ministers should be able to amend the rules of good husbandry and good estate management defined in the Agricultural Holdings (Scotland) Act 1948 to enable tenant farmers and their landlords to be able meet future global challenges?

Yes

No

Don't know

Please give reasons for your answer.

To achieve a significant transition to sustainable and regenerative farming, barriers for all farmers will have to be removed including those for tenant farmers. The Rules of Good Husbandry and Good Estate Management desperately require amending to remove these barriers. Drafted in a period which encouraged high input driven farming for high yield growth we now understand the unintended consequences of this and the high costs this had on nature, climate, health and economic precarity for farmers and crofters and associated mental health.

The new Agriculture Bill gives the opportunity to revisit these rules and rewrite them to align with the principles of regenerative agriculture -

<https://groundswellag.com/karl-ritz-the-groundswell-5-principles-and-soil-sense/> and a farm

Business's Maximum Sustainable Output - where profitability is linked to a partnership with nature-

<https://www.nffn.org.uk/resources/nmb/>

Rent Reviews

- a) Do you agree that adaptability and negotiation in rent calculations are required to meet the global challenges of the future? Please explain why.

Yes

No

Don't know

Please give reasons for your answer.

Again, to achieve a significant transition to sustainable and regenerative farming, barriers for all farmers will have to be removed including those for tenant farmers. Based on the above suggestion, one solution for rent calculations would be to redefine 'productive capacity' as 'sustainable capacity' as a benchmark for rent of a holding. NFFN would be very happy to explore this further with the Agriculture Bill team.

- b) Are there any other relevant considerations that should be included in part of a rent review? Please explain why including any practical examples.

Yes

No

Don't know

Please give reasons for your answer.

Resumption

a) Do you consider that Scottish Ministers should amend the resumption provisions on compensation for disturbance to include a new valuation formula? And if you agree with this proposal, what do consider to be the appropriate method of valuation?

- Yes
- No
- Don't know**

Please give reasons for your answer.

E. Scottish Agricultural Wages (Fair Work)

a) Do you agree that Fair Work conditions, including the real Living Wage, should be applied to all Scottish agricultural workers?

- Yes**
- No
- Don't know

Please give reasons for your answer.

b) What do you consider the implications would be on individual businesses and the Agricultural sector more broadly, if the minimum wage for agricultural workers was to align with the real Living Wage?

As we set out in our Rethink Food Report and stated above:

'At the heart of the argument for a more nature centric food and farming system lie the market dynamics that have pushed nature out of farming over the last half century. While farmers play a central role in the transition to nature friendly farming, other food system actors like governments, food processors, manufacturers, retailers and consumers will play important enabling roles. These food system actors need to align to ensure that farmers have the support, knowledge, time, money and resources they need. The change that we need to be making is systemic - it is not for farmers to make this transition alone.'

Everyone involved in the food system will have to play their part in ensuring farmers and crofters do not bear the increased costs involved if the minimum wage for agricultural workers was to align with the real Living Wage alone. At the moment we have a dysfunction value chain which is being propped up in part by public payments. As Vicki Hird of Sustain sets out:

Farmers are tiny players in the face of huge food industry buyers who hold all the cards in terms of bargaining power. They are squeezed ever more tightly - both in terms of money but also contractual terms – and have too little power to demand better prices and fair treatment. And the costs they incur have been pared, largely, to a minimum over the decades.

Looking at the results of our research and analysis, it is clear we have a hugely problematic supply chain in terms of costs, complexity and extracting value. Farmers get a tiny portion of the final product price and little or even no profits from selling into mainstream supermarket supply chains. That bears too little relationship to the efforts they must make. They hold a large proportion of the risks of production, working with unpredictable natural systems and long timeframes to produce a crop or product.'

As stated above, NFFN supports the strong recommendations for regulation, building new routes to market, transparency and intermediaries and marketing and advertising as called for by Sustain in their Unpicking Food Prices Report-

<https://www.sustainweb.org/publications/dec22-unpicking-food-prices/>

Assessing the Impact

a) Are you aware of any potential costs and burdens that you think may arise as a result of the proposals within this consultation?

Please give reasons for your answer.

To achieve a significant and just transition to sustainable and regenerative farming, barriers for all farmers and crofters will have to be removed. This is going to require careful consideration in the co-development of the payment framework and tiers. NFFN welcomes the focus and consideration in this consultation on tenant farmers. However we agree with our partners that consideration also needs to be given to what is being asked of small-scale producers and crofters, to ensure the process is not too onerous.

As stated above, Whole Farm Plans have to be designed to be as accessible, affordable and useful as possible. NFFN has set out what we understand as whole farm planning which differs from what is being proposed in this consultation. It is imperative that Whole Farm Plans should not be seen as an onerous tick-box exercise. It needs to be a rewarding exercise providing a valuable tool for farmers and crofters to plan their business and assess what support is best for them, the land they manage, the nature they care for and the business they run.

'Agriculture is already a tightly regulated area with many complex rules and obligations in place. Reliance on agents may leave smaller businesses struggling to meet the conditions. In enforcing new system, it would be helpful for SGRIPD to be more pragmatic and cooperative rather than punitive. Insufficient detail in the proposals in this consultation re nature restoration in particular, so it's not possible to say if it will have a positive impact. Without a change to area based direct payments it is unlikely to be 'transformational'' NFFN Scotland Steering Group Member

'I'm worried about the potential complexity of whole farm plans, making them beyond the capabilities of most farmers to complete without external support, which would come at an additional cost on already creaking businesses' NFFN Scotland Steering Group Member

- b) Are you aware of any examples of potential impacts, either positive or negative, that you consider that any of the proposals in this consultation may have on the environment?

Please give reasons for your answer.

A managed transition of all funding for Tier 1 Base Level Direct Payments to be moved into Tiers 2, 3, and 4 over the term of the next parliament 2026-30 and beginning capping and tapering area-based payments now and redirecting funding, support, skills, knowledge and advice towards incentivising and supporting farmers and crofters to transition to nature-friendly farming and crofting will have a positive impact on the environment.

Increased conditionality within Tier 1 is a good start to push farmers and crofters to begin transitioning their practices but an emphasis on Tier 2 payments will be more effective to achieve the positive impact we need in the time we have.

All of this has to be working towards phasing out area-based subsidies- if this is not done quick enough this will have a negative impact on the environment.

As stated earlier: we ask the Scottish Government to:

Support a just transition to payments that support nature friendly land management. The Scottish Government is in the process of phasing out the existing BPS scheme. We ask that the Government maintain its commitment to phase out area-based subsidies in the upcoming Agriculture Bill. Targeted outcomes for biodiversity gain and low emissions production will be essential to creating a nature friendly food system. Area based payments will not achieve nature restoration or climate targets as part of a just transition.

- c) Are you aware of any examples of particular current or future impacts, positive or negative, on young people, of any aspect of the proposals in this consultation? Could any improvements be made?

Please give reasons for your answer.

One of the most fundamental aspects of our current area-based subsidy is the inequity (At present, the top 20% businesses take 63% of the budget, while the bottom 40% only receive 4.8% of the budget.) We understand the fundamental challenges young people and new entrants currently have within agriculture in Scotland (reflected in the current average age of Scottish farmers as 57.) Any move away from the current area-based subsidy system to direct payments as 'income support' or financial support for new businesses should, in theory, offer more opportunities to young people and new entrants.

The proposals here for modernising agricultural tenancies would also be hoped to have a positive impact on young people and new entrants.

However, as set out through our response the challenges to farming and crofting are structural and this is also reflected in the recent Scottish Government's New Entrants and Young Farmers Start-Up Grant Schemes: evaluation (which identified considerable constraints of land availability and profitability.)

These proposals here will only form part of the solution as much rests on the availability of farm and

croft land to buy or lease and so tied to proposals for Land Reform. Much also rests on the way our food system currently operates so requires transformational change- not just for farmers and crofters, but also policy makers, retailers, food manufacturers and consumers, whose roles in the food system are equally important. A joint approach is also required in relation to planning and housing law, with significant investment required to ensure adequate housing is available in rural areas in support of crofting, farming including agroforestry and rural development more broadly.

A transition to agroecological and regenerative agriculture by its nature requires more people building livelihoods from the land than less. We can see this in practice in Scotland within our crofting and high nature value and upland farming communities. The overarching aim for all of the above has to be reversing the huge threat of rural depopulation in Scotland. This will require careful consideration to make sure the proposals set out here and wider policy has a positive effect on rural depopulation and delivers what Magnus Davidson eloquently asks in the SEDA conversations around 'A New Vision for Land Use in Scotland:

'I want to see people of the landscape, not just in the landscape.'

- d) Are you aware of any impacts, positive or negative, of the proposals in this consultation on data protection or privacy?

Please give reasons for your answer.

Not aware -this is an area which data protection specialists should advise the Scottish Government on as the Agriculture Bill is developed.

- e) Are you aware of any examples of how the proposals in this consultation may impact, either positively or negatively, on those with protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation)?

Please give reasons for your answer.

This is a hugely complex question and one which requires more consideration than a question at the end of a consultation document. As a result it is very challenging to answer.

As stated in the recent 'The Changing Role of Women in Farming, Crofting, and the Agricultural Industry: 2016-2021' report -

https://www.hutton.ac.uk/sites/default/files/files/publications/Changing-Role-of-Women-in-Farming-final-report-Hutton-24_11_21.pdf

'Despite the reported efforts of agricultural organisations to support the recruitment of women and their participation in agricultural leadership, key barriers remain. These barriers include cultural assumptions, attitudes, and arguably unconscious bias. The role of positive discrimination in supporting women's roles in agricultural leadership remained contentious, but it was proposed that board governance would improve with stronger female representation. It was agreed that the agricultural industry should explore opportunities to overcome wider barriers to diversity, ensuring the

participation of those from non-farming backgrounds, different ethnic and cultural backgrounds.’

There is not enough clarity currently outlined in these proposals to ascertain if they will have a positive impact on these wider barriers to inclusion. However the proposals do mention benefits to women, but do not deliver any perceivable benefits to women in agriculture. They do however add to the complexity of an already multifaceted sector, making the job for women farmers undoubtedly harder.

NFFN would like to see the Scottish Government working with those in the sector to place time, people and resources on tackling the barriers to wider diversity and inclusion in the agriculture sector. The current lack of opportunities is a barrier to progression in our industry.

- f) Are you aware of any examples of how the proposals in this consultation might have particular positive or negative impacts on groups or areas experiencing socioeconomic disadvantage? These could be households with low incomes or few resources; families struggling to make ends meet; people who experienced poverty while growing up; or areas with few resources or opportunities compared with others.

Please give reasons for your answer.

Key to the co-development of these proposals should be solutions which alleviate rural disadvantage and poverty. Again this is a hugely complex question and one which requires more consideration than a question at the end of a consultation document. As a result it is very challenging to answer.

This review gives an overview of what children, young people and families are currently facing in rural Scotland - Children and young people and rural poverty and social exclusion: A review of evidence November 2020

https://pure.sruc.ac.uk/ws/portalfiles/portal/34056820/CYP_Rural_Review_02112020.pdf

If we are viewing Tier 1 as an ‘as an income support payment for farmers and crofters and will be ‘conditional’ on essential standards being met to ensure appropriate activity, climate, biodiversity and business efficiency outcomes’ then this offers the opportunity for this support to be delivered more equitably and focused on those who need income support.

- g) Are you aware of any examples of how the proposals in this consultation might impact, positively or negatively, on island communities in a way that is different from the impact on mainland areas?

Please give reasons for your answer.

We know island and remote communities face competitive disadvantages due to distance to market, transport costs etc.

NFFN is currently facilitating a knowledge exchange programme for a group of farmers, crofters and growers from Islay, Jura and Colonsay through our KTIF Agroecology Enabling the Transition project. We would be delighted for this group to host the Cabinet Secretary or members of her team and members of the Cross Party Group on Rural Policy to take time to explore how the ‘proposals in this

consultation might impact, positively or negatively, on island communities in a way that is different from the impact on mainland areas.'