1. What types of budget support does the sector need to grow its capabilities and build markets?

Ambition 2030, launched this year by the Scotland Food and Drink Partnership, comprising of industry, government, agencies and other partners, aims to double turnover in the farming, fishing, food and drink industries in Scotland over the next 15 years. Key to this will be innovation, extending across the entire food supply chain from primary production to retailers and consumers. The drivers to achieve this ambition, whether they be political, such as Brexit; economic, in terms of producing food more efficiently; societal, in terms of responding to consumer ethics and demands; or inevitable, as a consequence of changing demographics and climate, will mean that investment will be required across all areas. Some of these areas are more amenable to governmental budgetary support than others while industry itself may be able to provide financial backing to support some priorities.

As a Research Institute dedicated to the health and welfare of farmed animals in Scotland and worldwide for the last 10 years, Moredun firmly believes that making primary production as safe and efficient as possible will be one of the keys to achieving Ambition 2030. Currently, one of the factors holding the livestock farming industry back is the disease that is with us each and every day that affects reproductive efficiency, health and welfare, times to market and the quality and safety of processed products. These so-called endemic diseases are those for which the greatest gains could be made should we be able to better control them. Presently, every farmed animal or fish that fails to make it to market, or fails to be fully productive, not only represents a direct financial loss to the farmer but could also lead to reputational damage for both the livestock producer and the quality of the “brand” in general. Moredun’s work is essential to underpin the aims and objectives of Quality Meat Scotland which supports the red meat sector and the Scotch quality brand based on Quality Assured Standards Schemes. Therefore, having a livestock industry where the focus is on the production of healthy animals, where inputs can be reduced and waste minimised, will be of primary importance to creating a more resilient and efficient farming and food industry.

Controlling endemic diseases is not easy, but must be focussed on sustainable solutions such as vaccines and diagnostics and disease control programmes rather than reliance on non-sustainable methods such as antibiotics and chemotherapeutics where public concern over their use undermines the confidence both in the livestock farming industry itself and in the foodstuffs on our supermarket shelves. Therefore continued investment in the science of vaccine and diagnostic research is vitally important for future food production. The benefits of controlling
endemic diseases however will not only help food producers, retailers and consumers, but should also help to sustain vibrant rural communities that are dependent on farming in general and also help Scottish Government to achieve greenhouse gas emission targets from the livestock sector through reducing inefficiencies caused by disease. Every calf or lamb that does not survive through to market or a fully productive life represents wasted emissions from the farming sector. Contrary to what some may think, financial support does not necessarily come readily from the commercial animal health sector as these companies work within a global market where the diseases and numbers of animals that are important to Scotland may not be sufficient for their own financial investors. Thus it is important that the Scottish Government maintains support for many of these areas.

2. Is what is currently offered by the Scottish Government and Public Bodies effective in terms of providing the support needed?

In this section we will only address the support given directly to the Moredun Research Institute and fellow institutions. The Moredun Research Institute is one of the Scottish Environment, Food and Agriculture Research Institutes (SEFARI). It, together with the other organisations that make up SEFARI, is currently in receipt of monies from the Scottish Government, channelled through RESAS (Rural and Environmental Science and Analytical Services Division), and designed to address some of the key challenges affecting the farming industry in Scotland. Although Moredun’s area of expertise is mostly directed at the support of primary production in the livestock industry, the research portfolios of the other Institutes compliment this by addressing other aspects of the food chain such as more efficient breeding strategies for both animals and crops, disease and pest control in the crop and horticulture sectors and the understanding of how healthy nutritious food benefits us all. Not all the research portfolio sponsored by RESAS within SEFARI is directed at the Food and Drink industry, indeed a large proportion is directed at the environment and understanding how it can be protected and improved for all the people of Scotland. Nevertheless, it must be remembered that farmers are important custodians of the environment and that their businesses will only continue to be profitable if they farm responsibly and in a sustainable manner, therefore inextricably linking the environment and food production as one.

One of the major benefits of the research portfolio sponsored by RESAS is that it enables long term researchable problems to be addressed. This has the added benefit that databases of information and collections of biological material can be built up and maintained over many years to provide valuable resources for present and future researchers to study the consequences of changes to the climate, demographics and societal demands. It also helps to build strength in terms of the expertise available to government and its agencies, providing capacity across the whole of the public sector to address issues as and when they arise, and provides a platform where new and innovative ideas can be tested and proved. Moving away from this model of funding would have negative consequences for all. That is not to
say we could not all be more effective in delivering what is required by government. One of the tasks of the SEFARI Gateway, our knowledge exchange and transfer vehicle, is to more effectively transmit the messages coming out of the research performed within the Institutes in order to promote early adoption of new scientific ideas by the farming and food sectors. Only by doing this can we expect to continue to help the economic development of the farming, fishing and food and drink sectors, and help to deliver some of the Scottish Government’s National Outcomes.

3. How can tax measures be used to help the Food and Drink Sector deliver on food policy objectives?
We have no view on tax measures. In our opinion however, primary producers may require to be incentivised to maintain the highest health standards within their livestock. This is particularly relevant to those disease organisms which do little or no harm to the animal, but pose a significant risk to human health, eg. E. coli O157. Currently the costs of controlling such infections lay with the livestock keeper who receives nothing for his/her attempts to control infection. Incentives may lay with the retailers rather than centralised government, but there seems to be little movement in this direction at this time. We also consider it important that the UK’s Agricultural Strategy is focussed on rewarding farmers for a combination of food production and environmental protection. This is very important for the rural and remote areas of Scotland and for pasture-based systems which predominate.

4. What should be the over-riding objective(s) of support?
- Economic Growth
- Health and well-being
- Improving environmental standards
- Other

As alluded to in our answer to question 2, we regard sustainable economic growth as the bedrock on which all other objectives could be achieved. A recent assessment by Biggar Economics, commissioned by RESAS, which explored the economic benefits of the research carried out by SEFARI suggested approximately £152 million GVA to the Scottish economy in 2016. Obviously only a proportion of this benefits the Food and Drink sector directly, but in trying to achieve sustainable, safe and efficient food production there will be substantial knock-on effects on health and well-being of our citizens as well as helping to reduce the environmental impact of production and providing us with a natural environment which can be valued and enjoyed for years to come.

Moredun Research Institute
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