



OFFICIAL REPORT
AITHISG OIFIGEIL

Rural Affairs and Islands Committee

Wednesday 12 March 2025

Session 6



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RURAL AFFAIRS AND ISLANDS COMMITTEE

9th Meeting 2025, Session 6

CONVENER

*Finlay Carson (Galloway and West Dumfries) (Con)

DEPUTY CONVENER

Beatrice Wishart (Shetland Islands) (LD)

COMMITTEE MEMBERS

*Ariane Burgess (Highlands and Islands) (Green)

*Tim Eagle (Highlands and Islands) (Con)

*Rhoda Grant (Highlands and Islands) (Lab)

*Emma Harper (South Scotland) (SNP)

Emma Roddick (Highlands and Islands) (SNP)

*Evelyn Tweed (Stirling) (SNP)

Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jonnie Hall (NFU Scotland)

Pete Ritchie (Nourish Scotland)

Kate Rowell (Quality Meat Scotland)

Jim Walker (Suckler Beef Climate Group Programme Board)

Neil Wilson (Institute of Auctioneers and Appraisers in Scotland)

CLERK TO THE COMMITTEE

Emma Johnston

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Rural Affairs and Islands Committee

Wednesday 12 March 2025

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Finlay Carson): Good morning, and welcome to the ninth meeting in 2025 of the Rural Affairs and Islands Committee. Before we begin, please ensure that all electronic devices are switched to silent. We have received apologies from Elena Whitham, Emma Roddick and Beatrice Wishart, so we are somewhat depleted, but please do not feel that that is a reflection of the quality of the witnesses that we have this morning. It reminds me of when I once turned up at a village hall in the Borders to address a Burns supper but there was nobody there. I asked the chairman whether he had told anybody that I was going to be speaking, and he said, “No, but it must have got out.”

Anyway, our first item of business is consideration of whether to take items 3 and 4 in private. Do members agree to take those items in private?

Members indicated agreement.

A Climate Transition for Scottish Agriculture

09:01

The Convener: Our next item of business is an evidence session on a climate transition for Scottish agriculture. This will be the first of two meetings in which the committee will discuss the issue as part of our pre-legislative scrutiny of the climate change plan. I am pleased that we are joined by a panel of five stakeholders from the farming sector. I invite all the participants to introduce themselves and to briefly tell us about their backgrounds.

We will kick off with Jonnie Hall.

Jonnie Hall (NFU Scotland): Good morning, convener and committee. I am the deputy chief executive officer and director of policy with NFU Scotland. My background is that I have been dealing with agricultural policy for more than 40 years, 27 of which have been in Scotland. Over the past few years, I have been dealing and wrestling with how we transition away from the common agricultural policy and deliver a fit and bespoke agricultural support system for farming and crofting in Scotland. That obviously entails how we continue to produce high-quality food but also how we tackle issues around climate, nature and underpinning our rural communities.

Pete Ritchie (Nourish Scotland): I am the director of Nourish Scotland, which is a food policy organisation, and I am a member of the agriculture reform implementation oversight board. I also spent 20-odd years running a mixed organic farm in the Borders.

Kate Rowell (Quality Meat Scotland): Good morning. I am the chair of Quality Meat Scotland, which is the red meat levy board for Scotland. I have been the chair for just over six years. I am a sheep and beef farmer from just outside Peebles, in the Borders, where I have been farming all my life, and I am also a vet. I sat on the first Just Transition Commission, which looked at the transition from a fairness point of view.

Jim Walker (Suckler Beef Climate Group Programme Board): Good morning. I am a former NFUS president—that was 20 or 30 years ago—and I was the QMS chairman around 25 years ago. When Fergus Ewing was the rural affairs cabinet secretary, I sat as the chair of a suckler cow group, which looked at ways of making suckler cow and beef production in Scotland more efficient and sustainable. That was five years ago, and it is quite interesting how life has moved on since then—quite a lot in some ways, but in other ways not at all. Other than that,

I am not entirely sure why I have been asked to come here this morning, but I am looking forward to the discussion.

Neil Wilson (Institute of Auctioneers and Appraisers in Scotland): Good morning, convener and committee. I am the executive director of the Institute of Auctioneers and Appraisers in Scotland, and I am the chair of the food and agricultural stakeholders task force group. I have spent a lifetime in the industry, but, before I moved into my current role, I was the head of agriculture for HSBC bank, having spent 23 years in banking before then. I have a small family farm in Dumfriesshire as well.

The Convener: We have approximately 90 minutes for questions. I remind witnesses that you will not need to operate your microphones—someone will do that for you.

I will kick things off. To give us a broad understanding of what the feeling is among stakeholders, will you tell us whether the subsidy control schemes that have been initiated through the Agriculture and Rural Communities (Scotland) Act 2024 have made any difference and whether they will effectively support emissions reduction in farming and crofting across Scotland?

Jonnie Hall: In your question, convener, you referred to subsidy control schemes.

The Convener: Sorry—it is just subsidy schemes, not subsidy control schemes. I beg your pardon.

Jonnie Hall: The Subsidy Control Act 2022 is something else, so I was wondering where we were going with that.

The Convener: We might well get to that later on.

Jonnie Hall: I agree that that is an issue in itself.

As Jim Walker has just said, some things have changed and some things absolutely have not. Where we are now in Scottish agriculture in delivering support payments—I would call them support payments or investment rather than subsidies—is that we are still operating the legacy common agricultural policy schemes. In particular, there are the basic payment scheme and greening elements, as well as coupled support schemes, which are very important for the suckler beef sector and for hill sheep, and the less favoured area support scheme. Those are the principal support schemes that we operate in Scotland.

We are still operating those schemes under the rules and compliance issues that we inherited from the CAP, which was transferred into Scottish law under the Agriculture (Retained EU Law and Data) (Scotland) Act 2020. There is also the Agriculture

and Rural Communities (Scotland) Act 2024, but powers under that act have yet to be used in any meaningful way—we are still operating under legacy schemes.

In that sense, we have not made any significant progress in utilising the powers that are now at the disposal of the Scottish Government to accelerate our journey to become a more efficient and productive agricultural system that delivers on food, climate and biodiversity. We are still, if you like, in a bit of a limbo situation. That offers some comfort to some people in the sense that there is a degree of certainty and understanding around the legacy schemes. Farmers and crofters have been operating under BPS, greening, LFASS and so on for some time—they are familiar. Nevertheless, we need to move forward with a degree of pace, because, as we know, the expectations on the agriculture sector to deliver not only on food production but on climate and biodiversity are increasing all the time. The agriculture sector cannot do that unless it is enabled to, with the financial underpinning that is required and a regulatory framework that allows it to prosper.

Pete Ritchie: I very much agree with Jonnie on that. We are in a holding pattern and we have been for some time. One of our frustrations at Nourish Scotland relates to the fact that, under the plans for the four-tier scheme, tier 2 was expected to do the heavy lifting. We were told for a long time that tier 2 would be the thing that would help farmers to deliver for climate and nature. We were expecting a big bang, but there is just a very small squeak at the moment. That is partly because of computer problems and partly because, although we had some good measures in earlier documents, we have not come up with a coherent way to help farmers to reduce their emissions through the subsidy scheme.

We will probably come to another of our concerns later, which is that tier 4 is seen as the icing on the cake—or, in the case of a wedding cake, the small bit at the top of the cake. However, if you want to make change, investing in advice, skills, knowledge transfer and knowledge exchange is the first thing that you do and not the last. That has been a major weakness of the strategy so far.

Kate Rowell: There is a real lack of certainty among farmers. They do not know what is coming. They are constantly being told that change is coming and that there will be a transition, but many of them on the ground do not know what that means. That has resulted in a lack of investment for quite a few years now, because people are holding off and waiting to see what will happen next, and also in a lack of confidence in the future.

One of the big concerns in the sector is succession and the lack of younger people coming into the sector, so that lack of confidence does not help. If you have youngsters at home who do not really know what they want to do next and are swithering, you will not encourage them into the farming business if the confidence in how the future will pan out is not there. That real lack of certainty and confidence has been an issue in the most recent years, and we need to change that as soon as we can.

Jim Walker: As a semi-layman and semi-retired farmer—one of my sons does the farming now—it is quite interesting for me to hear commentators talking about tackling climate emergencies. We have been doing that for nearly 10 years, and certainly for the past five. In other walks of life that I was involved in, if there was an emergency, people reacted to it quickly, but that has certainly not been the case here.

As you know, I was involved in the final report on the suckler beef climate scheme, and, looking at the trends in agriculture in the United Kingdom over the past 20 or 30 years, we see that cattle numbers have dropped significantly, particularly in Scotland. There were 2.68 million cattle in the UK in 1974; now there are 1.68 million. There are only 180,000 dairy cows and 380,000 beef cows left in Scotland, down from 0.5 million beef cows less than 20 years ago.

We, in the UK, are less than 60 per cent self-sufficient in food, whereas we were nearly 80 per cent self-sufficient in the 1980s. It is quite interesting to look at what is going on around the world right now, with war and political instability—and now trade wars across the planet, with tariffs being introduced in the US—and to note that here we are, still talking about a climate emergency.

The lack of coherent agricultural policy in Scotland has held the industry back, and the way in which subsidies have been handled has fallen into the same trap, partly because the way of delivering the support payments to agriculture is just not fit for purpose, as Jonnie Hall mentioned. The computer system is knackered and has been for years—it has been held together by Blu-Tack and sticky tape since I can remember, and that is still the case.

The Convener: Just on that subject—Pete Ritchie also touched on it—we questioned officials last month about policy potentially being held back due to the computer system not being able to deal with it. Is that a real, significant factor in moving forward?

Jim Walker: It is 100 per cent a real, significant factor. When we wrote the beef report—Neil Wilson, the NFUS and QMS were involved at the time—I circulated not just the report but

information on its implementation—how we would enact the report and put it into a coherent strategy that could be transferred over into the industry and get the farming or beef sectors involved. In our work with officials, one of the main things we were involved in was finding a route to deliver whatever the changes might be over a period of time. One of the huge difficulties was how those changes would fit into our computer system, so that it was able to deliver money on time into the sector. That was five years ago, so God knows what it looks like now. We managed to do that using existing schemes, and it could still be done, but, five years down the track, all that the system has managed to do is spend money to keep itself alive and paying farmers “on time”.

In answer to your question about subsidies, there is lots of talk about how much money is invested in agriculture through support payments. For the committee’s benefit—because you are not all as old as me—I note that I was in the NFU president’s chair in 2001, when LFA support, which is a lifeline payment for most hill farms around Scotland, replaced the former hill livestock compensatory allowance scheme for hill and upland farmers. When I saw that I was coming to this meeting, I looked at my notes, which said that the payment in 2002 was £62 million and that in 2024 it was £63 million. That is the money that was actually passed to agriculture. Including compound interest from 2001 to 2024, that figure should have been £130 million just to keep track of inflation, never mind anything else.

Can anybody in this committee or anywhere else tell me of any Government agency or department that has worked with zero inflation and zero increases in real-terms spending over the past 25 years? Not one single area of spending—welfare, health, defence or anything else to do with either Scottish or UK politics—has been frozen at 2002 levels for the past 20-odd years, yet agriculture spending has been. The problem is not only the delivery mechanism for support payments, nor the fact that support payments are still in the dark ages because we are working under the illusion that we will be part of Europe again someday; it is also that spending has been cut to buggery in real terms over the past 20-odd years.

09:15

Emma Harper (South Scotland) (SNP): What is the reason for the reduction in beef cattle? The climate emergency was declared in Scotland in April 2019, but you say that the reduction in beef cattle has been happening for 20 years. Is there more than one reason why the number of beef cattle has been reduced? Is it a global thing, or is it just local to Scotland? What is going on?

Jim Walker: The main reason goes back to the 1990s—and probably before that. Some of you might remember that, in the mid-1990s there was the BSE crisis, during which we were banned from export markets for 10 years. The UK beef industry then fell into the clutches of the Irish meat processors that were supplying the multiple retail sector in the UK. They dominated that trade and, because producing beef cattle was unprofitable, farmers voted with their feet. Add to that layers and layers of regulation, particularly on environmental issues, slurry control and so on, and you have got an unprofitable sector.

It is only in the past 12 months that we have started to emerge from the shadow of that. The multiple retail sector no longer has control over the beef industry in the UK or in Scotland. It certainly does not have control over the sheep sector, and it has not since Covid. As a result, there has been an increase of between 30 and 40 per cent in the value of the products and a massive increase in demand. That is despite some of the wild accusations and requests from the Climate Change Committee and other interest groups, which want us to eat and produce less beef.

The reality is that the demand for beef has never been better, both at home and in export markets. There are few choices around the world. For example, the cattle inventory in the US is at its lowest level since 1949, and most countries around the world are in a similar position. Europe has the smallest cattle herd that it has had in my lifetime.

The old adage of supply and demand is kicking in, and farmers have voted with their feet because they were not making money. More recently, there has been no policy lead whatsoever from the Scottish Government, so farmers have put cattle off. Those of us who have been either daft enough or clever enough—it depends on which side of the fence you are on—to stick with cattle farming have seen prices that we could only have dreamed of.

I was at a meeting with Kate Rowell in 2020—it was the reason we started writing our report, and Fergus Ewing kicked it off—at Stirling auction mart in the spring of 2020, and the deadweight cattle price on that day was £3 per kilogram. This week, the price is nearly £7, after only five years.

The Convener: I will bring in Neil Wilson, because he will have a take on this as well. To give him his tuppence-worth, he can answer the first question.

Neil Wilson: I cannot disagree with anything that has been said, but I will layer on top of it the point that some of the conditionality that has come in feels ineffective and becomes almost a barrier. As members will know, the Institute of Auctioneers and Appraisers in Scotland pushed back pretty

hard on the Scottish suckler beef support scheme regarding the conditionality that came in for some sort of environmental gain that was not clear.

I struggle to see any great value for the majority of farm businesses from some of the dabbling that has gone on—whole-farm plans and things like that—other than the creation of another barrier and another frustration. If that is all going to be built on in the future, there might be some reason to do it, but, as others on the panel have said, there has been absolutely no clarity about what that will look like.

Jim Walker nailed it in his answer to Emma Harper's question on beef cattle numbers. Despite what the Climate Change Committee and co might say about reducing consumption, over the past 12 months—and certainly over the past three months—we have seen a broad increase in consumption. I am sure that Kate Rowell can talk more about that. We do not have the global supply to meet the demand, so farmers—daft ones like Jim Walker, who stuck with beef cattle—have an opportunity to make a good return despite having virtually no policy direction to follow.

Kate Rowell: I want to back up what Jim Walker said about demand, which is strong all around the world. Back in October, we had a stand at a big trade show called SIAL Paris, and we had processors there. For the first time, the people who were coming on to the stand and looking to secure supply were talking not about price but about supply and availability. Unfortunately, a lot of our processors were having to say, "We can't fulfil that because we don't have enough product. We don't have enough Scotch beef or Scotch lamb." Scotch beef was more the issue, because the cattle herd has declined much faster than the sheep flock.

We have also spent many years building up premium food service markets in London, where we have high-profile restaurants that are now asking for Scotch beef as a matter of course because they know that it is the best that they can get. Unfortunately, they are now having to turn to alternatives, because it is very difficult for them to get enough. Given that the demand is out there, it is really disappointing and frustrating that we cannot supply that.

Jim Walker talked about the longer term, and we recently did some work that looked at why people have gone out of cattle production in the past few years. The number 1 reason was business profitability, which has driven everything, but there were other things as well. People want a different kind of work-life balance. The cost and availability of labour are also a difficulty, because there are not enough people with the skills out there. As I have said, another issue is succession and getting the younger people who are actually born and

bred on the farm to stay there. The average age of farmers is getting older, and it is more physically difficult to deal with cattle than it is to deal with sheep. Often, the choice has been, "I'll stay on the farm but get rid of the cattle, because cattle farming is more expensive and harder on my body."

There are a lot of reasons. As has been said, we lack certainty about where we are going. We have a vision for agriculture, and we would love to see a vision for livestock production in Scotland. The European Union is apparently working on a specific livestock vision at the moment, and it would be good to get the same vision from the Scottish Government.

Jonnie Hall: I will add to the commentary that we have heard about the impact that supply and demand issues have had in recent times, particularly on the beef sector but on other sectors as well.

Probably the most significant and marked decline in suckler beef numbers and, particularly, sheep numbers came in 2005, when we moved from what was essentially a headage-based system under the CAP—the suckler cow premium, sheep annual premium payments and so on—to the single farm payment scheme, which was a decoupled system. The new system fossilised, in effect, the support payments that went to individual businesses, and there was no connection whatsoever between the payments and how many cattle or sheep were held and managed by particular businesses. In many respects, the support payment was completely divorced from the agricultural activity or farm production, and that transferred across into things like the cereal sector as well.

In 2008, Scotland's Rural College—known as the Scottish Agricultural College at the time—wrote a report called "Farming's Retreat from the Hills", which set out in stark terms how the impacts of declining livestock numbers in remoter areas of Scotland were a consequence of decoupled payments. Fast-forward to 2013 and the next CAP reform took place—although it did not kick in until 2014-15—which not only continued the decoupling of payments but, instead of just fossilising the payments, flattened them. We had flat rates across three different payment regions, which again bore no relation whatsoever to the agricultural activity.

We disconnected the support payment going to an agricultural business from the agricultural activity, other than the bits and pieces around things such as the support scheme for the suckler beef herd, which we introduced in 2005 and reinvented in 2013-14. However, that did little more than slow the decline, rather than flattening it

out or even reversing it, because it just did not stack up.

Kate Rowell made a significant point about labour and the profile of those who are engaged in suckler beef production in Scotland, not only on farm but through the processing sector. Suckler beef is a pretty labour-intensive agricultural sector—it is probably the most labour intensive. As well as looking at rising costs in other ways, you have to look at the profile of the people who are involved in the sector and whether people are willing to do it any more, given the returns at best.

Pete Ritchie: There is a lot of wishful thinking here from the livestock sector. Demand for beef and lamb fell sharply after 2019. Last year, beef demand went up 0.4 per cent, which is hardly a huge increase. As the UK Climate Change Committee shows, consumption is below the predicted trend that is needed if we are to meet our climate targets.

Overall, the UK is 60-70 per cent self-sufficient in food. It is 87 per cent self-sufficient in beef and 106 per cent self-sufficient in lamb. We do not need to produce an enormous amount more beef to feed the UK population. The levels of consumption and production will fall, as they have done in line with each other over a number of years, but does the Government have a plan for how to manage that in a way that is fair for farmers and that, as Jonnie says, keeps rural communities going and reduces emissions? We are off track on reducing emissions.

The Government brought out a tracker for agricultural climate change emissions. We should have been at 6.8 megatonnes last year, but we are at 7.8 megatonnes. The reduction in emissions came from a reduction in the use of nitrogen-based fertiliser, which was primarily caused by a price spike and not by policy interventions. On emissions intensity in the beef sector, and to pick up the point about payments flatlining, there has been a 4 per cent reduction in emissions intensity—in other words, in the efficiency of production—over 30 years.

There are many different moving parts to the issue. We want to keep saying that the Government needs to agree a plan with the sector on what is going to happen. I think that everybody agrees with that, but we cannot just hope that it is going to sort itself out, because what happens when it just sorts itself out is that the market takes over. Retailers have commitments to significantly reduce emissions in the UK shopping basket before 2030. They will start to demand a reduction in emissions intensity numbers for beef and sheep, just as they already do in the dairy industry, and if farmers cannot show that their emissions intensity is below a certain level, they

will lose out. Producers will go out of business because they cannot sell their produce any more.

The Irish, as we have heard, have been on that for 30 years. They have been producing those emissions numbers and making their case to the retailers, which is why they have been doing better.

The Convener: We have moved slightly off topic, but I thought that I would let everybody set the scene for the discussion. We are trying to focus on the transition to a more climate-friendly agriculture, so we will try to pull it back on track.

I have a question on the role of the farmer-led groups and how effective they have been in changing Scottish Government policy. I will start with Jim Walker, because he was very much involved in one of the farmer-led groups. Can you provide examples of your group's recommendations being successfully integrated into Scottish Government policy? If they have not been integrated, where has the process failed?

Jim Walker: How long have we got, convener? Back in 2020, a previous cabinet secretary—Mr Ewing—and I cobbled together the idea of the first farmer-led group. At that time, I was in to bat for the Scottish Government to try to get convergence funding returned to Scotland after six years of a rammy—among most people, to be fair—and we were successful in that.

We were also successful in getting what was described at the time as Bew funding—Paul Bew was the chairman of the committee that I sat on and which enabled that to happen. The money amounted to £25 million or £26 million a year, and it still exists, although I note from afar that it mostly does not get spent on agriculture any more; it gets hived off into other things. However, that is an aside for another day.

09:30

The idea was that I would set up a group, and I agreed to do the Bew thing on the proviso that the group would be made up not of the usual suspects who appear at committees such as this one, but of young farmers I had handpicked, all under 40, who had a future in the industry and—this is the interesting thing—who were interested in being able to farm without subsidies. That was the remit of the group at the time: we were looking at ways of making beef production in Scotland more efficient with a new audience in the room—that is, young people who had a future in and were committed to the industry.

It became clear, as we went through that process, that the kinds of ideas that we were all coming up with could be transferred to all sectors. That is why farmer-led groups spread from the

beef sector, in the first instance, across the dairy sector into the arable sector and then to the uplands farmers after that. The LFA situation is slightly more complicated, because that is as much a social issue as it is an agricultural issue.

That is how it started. We then put together an implementation group. Just for the committee's knowledge or recollection, the recommendations from our suckler beef report were put into the programme for government at the back end of 2020. Five years ago, come September, it was announced in this building that there would be a suckler beef scheme to make sustainable, efficient and climate-friendly beef production part of Government regulation from the spring of 2021 onwards—and here we are.

The document that I circulated through Ben Sutherland to the committee yesterday sets out how the report from the committee that I chaired would have been implemented. As I have said, there are people in this room who were involved in that. We also involved the people in the Scottish Government who ran the computer system, knowing that it was a massive weakness—indeed, an Achilles' heel—and there were former Scottish Government employees and civil servants on the group who understood how it worked. We also looked at World Trade Organization and CAP compliance and compliance with Department for Environment, Food and Rural Affairs regulations.

We were serious about implementing that suckler plan. As you will see in the document that I mentioned, it was supposed to go from 2022 to 2032; in other words, it was a 10-year transition from where we were to where we hoped to be in 2032, to try to meet some of the climate targets that the Government is tied to.

Unfortunately, in all the excitement of the spring of 2021, the cabinet secretary was thrown off the bus, somebody else came on board and a new committee was set up that I have had no part in whatsoever and that seems to go round and round the mulberry bush without achieving very much. Bearing in mind all the commitments that we got at the very highest level of Government in those days—indeed, both the Deputy First Minister and the First Minister signed up, although one is still in position and the other is not—I find it interesting and actually quite insulting that the chairman of that group is saying that the 410-day calving interval rule that is coming in this year to allow people to claim under the beef calf scheme is being brought in because it comes from our report and that the whole-farm plan that Neil Wilson referred to came from our report, too.

That report was 40,000 words—40,000 words!—and it was full of carrot-and-stick ideas. The idea was to take a proportion of Bew money consistent with the emissions that were supposed

to be coming from the beef herd—at the time, that herd accounted for around 60 per cent of the emissions from Scottish agriculture; the figure will be less now, because there are fewer beef cattle—and use it as an incentive to get farmers involved. If you start preaching to farmers and tell them what they are going to have to do, you get the sort of situation that you have now, where something as irrelevant as the 410-day rule creates, when implemented as a stand-alone policy or idea, the mayhem that we have seen over the past few months.

You can take farmers with you if you explain to them that this can be done; you can show them the network of monitor farms that Kate Rowell's organisation and others currently run; and you can prove to them that other farmers can do it, so they can do it, too. You have to allow for farmers being at different stages of development or different points on the ladder with regard to their technical capability or their understanding that being more efficient also creates reductions in emissions—I will give you an example of that in a minute. If that had been done, the Government would have been able to take the farming industry—that is, the beef sector, although dairy and arable are no different—with it.

But the Government chose to do things in a completely different way. It stuck its head in the sand, did nothing for four years and then, in a blind panic, put a couple of ideas out and said that they came from the farmer-led groups. That is poor and insulting. It is not what we planned, and it is not what the document that I have referred to says.

Therefore, convener, I cannot give you any examples of the positive benefits that have come from what the farmer-led groups proposed with regard to Government policy.

The Convener: Kate, you were involved in one of those groups, too. What is your view of how they worked? How effective have they been in forming policy?

Kate Rowell: I was on the sheep and upland group. As Jim Walker said, that group was slightly different in that it did not necessarily have the same productivity focus as the other groups. However, there were a lot of recommendations from all the groups. I also sit on the agriculture reform implementation oversight board—or ARIOB—and the recommendations came through that board, distilled into a list of measures. Obviously, they were not set out exactly as they were written in the original reports, but you can follow them back to what the groups proposed. Unfortunately—and this brings us back to the computer system—there seems to be no way of implementing that list.

The whole-farm plan, as proposed by Jim Walker, was much more organised, and there was much more of it. The bare bones of it did come from his work, but, as I have said, it is nowhere near the amount that he proposed.

As I said, you can follow the list of measures back to the farmer groups, but nothing is happening with them at the minute. They are just sitting there.

Jonnie Hall: I very much concur with Kate Rowell's comments. There were five farmer-led groups. There was the suckler beef group, which Jim Walker chaired, and the hill and upland group, which Kate sat on and which included crofting. There was also an arable group, which was chaired by Andrew Moir; a dairy group, which was led by Sarah Bradburn and Jackie McCreery; and one for pigs, which was led by Andy McGowan. The groups represented a significant swathe of Scottish agriculture—although not every sector, obviously.

Each and every one of the groups' reports set out significant recommendations, with the groups under the impression that they would be taken forward. As Kate Rowell said, some elements were supposed to feed into the construction of the new tier 2 of the new four-tier system—that is, the conditional measures, or the actions that farmers and crofters could take. That was the premise on which that was built. The whole industry was thinking, "Yes—this is the new bit. This is the different approach." There would still be a basic payment scheme of sorts in the new tier 1, but there would be a new action-based bit, allowing individuals to drive efficiency from a menu of options, with something for each and every farm and croft, regardless of size, type or location. That was the philosophy and thought behind it, and that was what was essentially sold to us.

It is only in the past 18 months or so that the biggest constraining factor on the advancement of that has become apparent—it is, as has been mentioned, the information technology system. The system is currently undeliverable, which means that, for the foreseeable future, we are operating with, in effect, a roll-over of the basic payment scheme and what is essentially greening, which is the additional component of the basic payment scheme. That will become our new tier 1 and tier 2. Yes, there will be some tweaks around the edges, but for the foreseeable future—probably until 2028-29 at best—it will be business as usual.

Therefore, as Kate Rowell said earlier, people are sitting on their hands, thinking, "What do I do? Do I commit and invest now, knowing that things might change in the future, or do I sit tight?" Too many folk are just sitting tight, to be honest.

Pete Ritchie: This is perhaps a slightly different point, but we were working with NFU Scotland on the “Farming for 1.5°” report at sort of the same time, and I concur with a lot of things that people have been saying. One of the key recommendations of that report was having a theory of change, and finding a way of working with the sector. As Jonnie Hall said, we are at the point where everybody has to do something, and there has to be something for everybody in the change process. It is all about managing that process in a way that builds consensus and buy-in; indeed, as Jim Walker said, it is about getting people on board. I do not know why we have not managed to do that. There are examples from other places where I think that they have been a bit more effective in that respect.

The Convener: I am conscious of the time, but I will let Neil Wilson come in before we move on to our next question. A lot of it appears to be around co-design. We hear that co-design is at the centre of all Government policy making. From what you are saying, that does not seem to be the case from the point of view of the food and agriculture stakeholders task force. Is that a concern to you?

Neil Wilson: It has been a significant concern. When the farmer-led groups were there, there was broad confidence that there was an opportunity to move forward, to work with Government to create new policies and to bring the industry with us. However, that was lost pretty rapidly. I have been on record a number of times as being critical of co-design or co-development from an industry perspective, although that might be a misunderstanding between what the industry feels co-development looks like and what the Government thinks it looks like.

All the way through the farmer-led groups to ARIOB and other committees, the Government has absorbed a massive amount of industry time, investment and knowledge and it does not appear to have taken much of that on board or moved forward with it. For those who do not know, the food and agriculture stakeholders task force, or FAST, is an organisation of 16 agricultural and food organisations. Generally speaking, that inaction is a frustration and it is probably one of the main reasons why FAST was started in September 2022, because that frustration was just building and building.

It has taken us a long time to move forward. We have probably had slightly more constructive dialogue with the Government during the past few months, but progress is pretty slow.

The Convener: Thank you. That takes us neatly on to questions from Rhoda Grant.

Rhoda Grant (Highlands and Islands) (Lab): I have questions about ARIOB. Will the witnesses

describe the process that ARIOB follows when advising the Scottish Government about climate change and net zero policy?

Jonnie Hall: I will kick off with that. I do not officially sit on ARIOB, but I attend ARIOB meetings because I am part of another sub-group called the policy development group. That group exists to put together policy proposals to be considered by ARIOB on implementing our transition away from the CAP to delivering a new system of support that delivers on the four outcomes that are stated in the Agriculture and Rural Communities (Scotland) Act 2024.

My experience is that there has been a lot of discussion but not a lot of conclusion about how we do that. The specific question about climate is very much on the agenda, but there is very little of direct relevance to the challenges and issues that are facing Scottish agriculture and how we can shape and implement a new policy delivery mechanism that encourages and enables drivers of efficiency. We improve the sequestration of carbon in soils and peatlands and all the rest of it, and we also do a bit more around adaptation, because that will be more of an important feature for Scottish agriculture in the future. There is plenty of conversation but there are not enough conclusions about the process so far.

Rhoda Grant: Can I ask about the process itself? Your working group feeds into ARIOB. Does it formally report back to Government? You talk about there being a lot of discussion, but where does that go? How does it work? How does it feed back in to Government policy?

Jonnie Hall: The others will also comment, but, as things stand, ARIOB is made up of Government and stakeholders. It is an oversight board that involves a number of individuals who were involved in the farmer-led groups and others who represent interests such as environmental non-governmental organisations and others. There are also some academics in there—there is an academic advisory panel.

I suspect that ARIOB is meant to be a sounding board. It does not take decisions on policy implementation or policy options. At the moment, it feels very much as though we talk around the edges of lots of things but do not get to grips with any decision-making whatsoever within that forum. It might be about co-design in that sense, but it is certainly not about co-decision.

09:45

Pete Ritchie: Jonnie has put it very tactfully. The board is certainly not about co-decision. It has been clear from the start that it is not a decision-making forum. To echo Jim Walker's point, it is fair to say that we have spent a lot of time on very

small institutional issues with the delivery aspect of the rural payments and inspections division, whether it be the computer or the very small details of tweaking the support scheme and the tiers.

The difficulty with that is that it gets us away from the bigger change picture that we are trying to work on, which is about how we can have a profitable, thriving agricultural sector in Scotland that also delivers for climate and nature. That has been the big question for five years, and we have not really come up with ways of talking about it that get us to yes. As I said, other places have done a better job of bringing together the different sectors, such as the producers, the environmental interests, NatureScot and people who are trying to look at the whole picture in other ways, but also the supply chain, which drives quite a lot of change. That is not in the room at all. It is not seen as relevant to the process.

ARIOB focuses a lot of discussion on the minutiae of the farm support schemes, and people are obviously very interested in that because it is their livelihoods and it is their money, but it has taken us away from thinking about how we are going to manage change together to drive farming in Scotland to be profitable and something that people want to do—something that produces good food and also delivers on our climate and nature obligations.

Kate Rowell: I emphasise that what happens at ARIOB is that the agenda items that are put forward are all in the public domain, as are the minutes. Things are discussed, everyone around the table gives their opinion, and at no point is any decision made by ARIOB on any of that. There has never been a vote or any sort of consensus asked for. We feed back our opinion and that is where it stops.

Rhoda Grant: We have recently had a number of statutory instruments from the Government. When we are looking at them and passing them, we get feedback from the industry that it is not happy with them. In defence, the minister says that it was all discussed and agreed at ARIOB and asks why people are now complaining about something that they had full sight of and signed off. We are trying to get to why that happens. Why does the Government think that ARIOB has signed things off? Why does the industry think that it is not being heard?

Kate Rowell: There is definitely no sign-off process at ARIOB—that does not happen. The members might discuss a subject and get a broad consensus in the room that every sector agrees with, which could be what is being referred to, but there is no sign-off process.

Jim Walker: Let us be clear and honest about this. ARIOB is a fig leaf for not doing anything. It is a way of pretending to engage with the industry, then doing what you like and picking bits from other reports. The “Farming for 1.5°” report was a great report. Nigel Miller and you guys did a great report. We worked with it in our suckler beef group. I spoke to Nigel many a time about what was important for getting action, strategy, timetables and delivery, with an outcome at the end. Everybody knows what the outcome is, but nobody knows the steps to get there. ARIOB is 100 per cent fig leaf.

That is probably partly my fault and partly Fergus Ewing’s fault. We had a different model for the suckler group, which was not to have everybody in the room representing somebody. It was to look not at subsidy schemes but at how we could make the industry more sustainable from a profitability and a climate perspective. That was our remit, and that is what we produced. Then we fitted the support regime around that to enable delivery.

That has been flipped totally on its head, because—let us be honest—the civil service in agriculture is far more comfortable shovelling money out to farmers through simplistic schemes that they understand, whether the delivery mechanism through the computer system is fit for purpose or not. In our lifetimes, they have taken policy from Europe, they have enacted it into Scottish or British legislation and then they have churned the money out the door on that basis.

When it then came to a challenge like the one that we gave the civil servants, with a delivery mechanism that we could have worked through—even with the computer system that we have—they did not know what to do, because their ability to deliver and write policy is almost non-existent. Then, the backstop is, “Oh, but the computer says no.”

ARIOB is there as a fig leaf for doing nothing. I am not on any committees any more, thank goodness, but I speak to people in the industry. I speak to hundreds of farmers and I write stuff in the press all the time, both in Scotland and nationally, and the feedback that I get is universal. It is, “You’re saying the right thing, because you’re representing what we feel, and we feel completely disconnected from a Government agriculture policy that effectively does not exist.”

Neil Wilson: I will comment on all of that in a slightly different way. I am not on ARIOB and I have no desire to be on it. I have never been clear on what ARIOB is meant to achieve—I say that with the greatest respect to the people who are on it and who are giving up their time. That goes back to the point about the Government absorbing a lot of knowledgeable people’s time.

I go back to Rhoda Grant's original point about why, when a statutory instrument is presented, some actors in the industry say, "Whoa—hold on a minute." That is a failure of co-development. It has to be because, actually, the Government is not fundamentally engaging with the whole sector.

Pete Ritchie hit the nail on the head earlier. The supply chain, which is massive, is not represented anywhere. The Institute of Auctioneers and Appraisers, meat wholesalers, the Agricultural Industries Confederation Scotland and other people are not involved. Those are massive employers that drive a massive amount of value back to the farm and through to the consumer, but they are just cast aside as not being important.

Rhoda Grant: Can any of you name a tangible difference that ARIOB has made to policy direction?

Jim Walker: No.

Jonnie Hall: No—not yet.

Pete Ritchie: I agree completely with Jim Walker that you have to decide what you want to happen first—what a better future looks like—and then design the subsidy schemes to deliver that. We are out of Europe, so we can design the schemes that we want. You do not start with subsidy schemes and then hope that they will deliver the change.

Neil Wilson: The frustration is that we broadly had that four, five or six years ago because of "Farming for 1.5" and the FLG reports. Generally speaking, we had a broad spectrum of the industry behind us. A big hole has been knocked in that recently.

Tim Eagle (Highlands and Islands) (Con): Good morning. It has been a fascinating 45 minutes, and I now have hundreds of questions running through my head like crazy. It is startling that, as we progress with the agricultural route map, we are two years out from significant changes but everybody round this table is saying that ARIOB has not delivered.

My initial concern with ARIOB was always about whether the people on it were being listened to. Like Jonnie Hall and Kate Rowell, I understand that we have hundreds of years of experience on that panel, but that is not being taken through.

The issue that has come up probably more than anything else this morning is the computer system. The IT system is just not able to deliver. As Jim Walker said, he wrote a report—it was a good report, all of which could have been implemented to take the industry on a 10-year journey. Just how worried should I be that we do not have the infrastructure in place in the background to deliver all the stuff that we are talking about, whether it be the top priorities in the Agriculture and Rural

Communities (Scotland) Act 2024 or what is coming in the rural support plan? Should we be speaking about that at the highest level?

Jonnie Hall: We absolutely should be talking about that at the highest level. We have alluded to that a few times this morning. The biggest single constraint on policy development and, therefore, its implementation, getting on with it and then playing catch-up—and when you do that, you usually end up losing—is the ability to deliver. There is a fundamental issue with the IT system and everything that goes with that.

I remember, back in 2013 or 2014, sitting in a conversation with Nigel Miller, who has been referenced already and who was president of NFU Scotland at the time; Richard Lochhead, who was the cabinet secretary at the time; and a guy called Drew Sloan, who was the chief agricultural officer at the time. Nigel said, "The last thing we should be doing on CAP reform is building policy that works for an IT system—it has to be the other way round." As I said at an ARIOB meeting two weeks ago, I have a real fear that we are again in danger of building policy around an IT system, rather than determining what the policy is and what we want to deliver and then working out how best to deliver it. That is a significant risk to success here. We could come up with the best policy in the world, but, unless we can deliver it, and unless we have the right funding behind it—that is another story altogether—we will not go anywhere.

Tim Eagle: On 19 February, the minister, Jim Fairlie, spoke to us about that very subject. He was asked directly about the money and support that were in place. He said:

"I am confident that the people who are doing the work that we require them to do will deliver it for us."—[*Official Report, Rural Affairs and Islands Committee*, 19 February 2025; c 25.]

When I asked the head of the IT department what funding was in place, she was unaware of whether there was any funding in place.

In my view, I am right in thinking that there is a significant concern there. The issue is not all about the IT system, but, fundamentally, that is the delivery mechanism through which we get support out.

Jonnie Hall: Absolutely. I go back to what I said earlier. About 18 months ago—or even as recently as a year ago—we thought that there would be a drop-down menu for tier 2 options of the kind that Kate Rowell described, whereby every individual farmer and crofter could pick and choose different options that suited them to deliver outcomes that worked for their business, first and foremost, but which also delivered on the environmental and biodiversity issues that we want to tackle. We have gone from aiming for such a system to

basically rolling over ecological focus areas under the current greening measures, with a few tweaks at the margins, if that. That will not cut it when we are trying to deliver on all the different outcomes. We need to have something that will allow us to move forward.

However, as I have said, the constraining factor is not a lack of ambition on policy but a lack of capability to implement that.

Jim Walker: It might be worth the committee asking the minister or someone else—whether directly or through freedom of information—how much money was originally spent on putting the IT system in place.

Tim Eagle: I think that we have that information. It was several hundred million pounds.

Jim Walker: It was certainly more than £200 million. More importantly, we need to know how much is spent annually on keeping it cobbled together, with a couple of hundred programmers working on it, trying to keep it alive, and how much it would cost to replace it, once a decision has been made about what policies to pursue.

My guess is that the process is being held back by budgetary constraints, because the Government could not afford to make the same commitment that it made the last time. We should also remember that Richard Lochhead, whom Jonnie mentioned, who was the cabinet secretary at the time, lost his job on the back of what happened then, because farmers didnae get payed in time. That is quite a big concern, politically, for whoever is in power.

The Convener: We are nearly an hour into the session and we need to get into the meat—excuse the pun—of some of this.

Pete, you were involved in writing the report. Before we move on, do you have any comments to make about the IT system in response to Tim Eagle's question?

Pete Ritchie: I am not sure which report you are referring to.

The Convener: In the past, you have made comments about the IT system and the ability to deliver the advance payments.

Pete Ritchie: I have certainly made comments about it in the past. As everyone has said, we designed a very expensive duck-billed platypus that could do only one job and live in only one environment. We need to have something that is much more generic and flexible to deliver support to farmers, but we started from the position of saying that we would keep the area-based payment system and all the bells and whistles and frills that go with that, which make for a very complicated system. It costs a huge amount to

administer the payment system—10 or 15 per cent of the payment budget goes on delivery. In comparison with other sectors, that is an extraordinarily high figure for getting money out the door.

Some really good stuff came out of the farmer-led groups on how we could fix the problems. Money could be spent in very different ways. Those in the beef sector could be told to get together to work out how to deliver the goals, and they could be given some money to deliver those goals over the next 10 years. The Government could say to them, "If you don't deliver these goals, you won't get the money. Get yourselves together, sort it out and deliver them."

The £650 million could be spent in lots of different ways, but we locked ourselves in to continuing to spend it in the same way, mostly, that we have always spent it. We need to have an IT system, but every time we try to tweak how we spend the money, the IT system says no. There has been a real failure of policy implementation.

The Convener: I am sorry, Tim, but I will have to intervene here. We will move on to questions from Ariane Burgess.

10:00

Ariane Burgess (Highlands and Islands) (Green): We have touched on how the agricultural transition in Scotland is being communicated. A moment ago, Jim Walker said that farmers feel disconnected from the Government. Kate Rowell, what feedback have you received from farmers on how the agricultural transition is being communicated? What discussions have there been about the potential impact on farmers' day-to-day lives?

Kate Rowell: The general feeling is that the transition has not been communicated. I know that the Government has tried to do that, but it is not speaking the same language as farmers. From my point of view, farmers have absorbed the message that change is coming, which is scary, but what is even more scary is that they do not really know what that change will be. At a practical level, farmers want somebody to tell them what they should be doing, and then they want to be able to choose what would work best for their farm.

There needs to be much more than just a high-level overview about farmers needing to reduce their emissions. They need practical options about what they can do, so that they can work out whether those options would be achievable and practical on their farm and whether they would still make a profit if they implemented them. Farmers need on-the-ground options. That is what is missing. My understanding is that the measures were meant to convey those options, but, because

we have not been able to go anywhere with them, people do not know what they are being asked to do, but they know that they will be asked to do something, which is scary.

Jim Walker: The situation is completely counterintuitive. In any business in which I have been involved, the strategy for the business is set based on the outcomes that we want to achieve. Once we have the strategy, we put in place the actions to achieve it, and we then measure against the starting point every week, every month or every year.

We proposed collecting data so that we had a starting point and then measuring annually, biennially, every five years or whatever it needed to be. We also proposed a transition period for 10 years to allow people at different stages of development—they might be nervous about the future, they might have a small farm or a big farm and they might have a really efficient farm or a not very efficient farm—to access various tools to enable them to achieve the outcome and get rewarded for it. Additional conditionality should not be banged on to outdated subsidy mechanisms; farmers should get rewarded for doing things differently and, more importantly, for being able to prove that they are doing that.

I will give a small practical example in the beef sector. We have run trials in a shed since we set up a group in 2021, so we are in our fifth year. Three times a year, we put 80 animals in the shed and we know in real time exactly what every animal eats and drinks every day. They lie in sawdust, so they cannot eat any straw or anything on the floor. We know everything about the animals.

What have we discovered? We have discovered exactly how many kilos of food each animal eats to put on a kilo of meat. The best performers eat two and a half to three kilos of food to put on a kilo of weight. The worst performers, which are still highly efficient animals and look good, need to eat 15 kilos to put on that weight. Along with those measures, we have methane-monitoring equipment. With a university that is based in Scotland, we measure the output of methane from the animals in order to prove that the best-performing animals produce X amount of methane and the worst-performing animals produce X-plus amount of methane.

For three years, we have been taking live decisions about which bulls and other animals we should keep for breeding. There has been a significant increase in the efficiency of the herd and, at the same time, we can prove that we have reduced the amount of methane from those animals. Those are the real things that can happen on farms if the Government gives the

signals and the outcomes and if farmers then get on with it and do it themselves.

In Canada, this year, semen for the artificial insemination of cattle will be sold with methane data, which, it is claimed, will reduce methane emissions by up to 25 per cent. I do not believe that for a second—the reduction will probably be nearer 10 or 12 per cent, but a 10 or 12 per cent reduction is better than nothing.

That shows that people are doing real, practical things around the world, but our Government and our policy in Scotland are so far behind the 8 ball that we are doing nothing. It is left to individual farmers to do things themselves, or they get out—those are the two choices. That is happening in front of our eyes. The herd is shrinking because people who cannot jump on that bandwagon or afford to invest in that kind of equipment leave. The good ones are getting stuck in and doing really good things, and they will get there despite Government policy—or the lack of it—not because of it.

Ariane Burgess: That is really helpful and links to the practical options that Kate Rowell has talked about.

Kate, you said that the agricultural transition in Scotland has not been communicated by the Government. Jonnie, you have your hand up. Do your members feel that it has been communicated? What are they discussing with regard to the potential impact on their day-to-day operations?

Jonnie Hall: That is exactly the point that I wanted to come back to. We talk about communications, what the transition is, what the change process looks and feels like and what it means for individual farms and crofts. Setting aside the aspects of policy development and implementation, communication has been absolutely woeful—in fact, it has been completely lacking. Terminology such as “agricultural reform programme” and “agricultural route map” does not mean much at all to farmers and crofters, who want to drill down into the detail of the who, what, when, where and how stuff. They want to know what will happen and when, how it will affect them, what it will mean and, if they must embrace the change, how they will do it.

I will give an example. As an organisation, we are kind of up to here with having to do a lot of Scottish Government communication on its behalf. Last November and December, I talked to the best part of 1,000 of our members from Shetland to Castle Douglas across 10 meetings over a three-week period, where I basically had to set out exactly what was happening and what they would have to do in 2025, 2026 and so on—things such as the whole farm plan, which is now a

requirement under the BPS for 2025 before we even get to tier 1, and having to do two or five audits or whatever it might be. That was absolute news to the majority of our members.

You can write stuff in magazines and post stuff to farmers, but when you stand up in front of a room full of them and explain, “This is what you’re gonna have to do, guys,” the penny drops all of a sudden, and that puts people on the defensive straight away. You then talk through the processes, what help people can get to do those sorts of things and whether they are already doing them—a lot of people already are. It is about those simple things.

We have always used the expression—I think that Jim Walker used it earlier—that you need to take the industry with you. Taking the industry with you relies on communication, from day 1, about change—how change will impact on the industry, and how the farmers can adapt and adjust to it and not be afraid of it. The thought of change creates uncertainty, but if you understand it, you want to embrace and move on with it.

The Convener: Neil, you wanted to comment some time ago.

Neil Wilson: Thank you. I want to give the communication teams in Government some credit: I think that they have been listening. They have had very little to communicate, and I think that the panel is right to say that, when they have tried to communicate it, it has been a bit of a jumble. We have encouraged those teams to get out to talk to farmers and, to be fair, over the past year, they attended a number of auction markets around the country—probably through local regional offices going to markets. We have been saying, “You might not have anything to say, but just go out there, speak to the farmers and then listen to what you’re getting back.” Communication goes two ways, does it not? It is not just about a lot of stuff coming out of Government. As everybody has said, some of the terminology means very little; communication needs to be about what farmers need to do on their farm.

To be fair, the Government did get out there. I do not know how much feedback it got from that and whether that work was successful, but I would damn well encourage it to do more of it. There are plenty of places in this country where the Government can go every week to talk to farmers, and it should be doing that a lot more.

Jim Walker: What is a just transition? What does it mean to an ordinary person trying to make a living on a farm? What does it mean? We see it on the news. We hear about a just transition for Grangemouth, but that means closing the refinery. What does it actually mean to people who have to be part of the journey?

The second thing, from a practical perspective, is that the most interaction that a farmer—certainly a livestock farmer—would have with anyone from Government is when they come to count the sheep. Bizarrely, 15 years after headage payments were last part of a payment mechanism within Scottish agricultural policy, armies of people are still counting sheep around the country every day and we, in this room, are all paying for that. We have absolutely no idea why they count sheep, but they come to count them, and if you do not have the right number of sheep they are not happy and they start threatening to fine you. It is utterly bizarre that we are still creating jobs for the boys and girls but not engaging with the community that serves them.

The Convener: Emma Harper has a supplementary question, and then we must move on.

Emma Harper: Sitting here, listening to talk about co-production, co-design, co-delivery and co-involvement, is really similar to the experience I had when we were looking at the national care service and talking about co-design, lived experience and engaging folk. When I was a nurse educator, I had to get to the nurses on the ground so that they knew what was coming down the line. Jonnie Hall says that farmers are saying, “Just tell me what you want me to do,” but that is engagement, not co-design. It is complicated and difficult.

I am thinking about how we deliver healthcare change. We talk about it being like moving a giant oil tanker to get healthcare embedded in our national health service. I am thinking back to what Pete Ritchie said at the beginning about how education should be the priority on the wedding cake and should be the first thing that we deal with. I am thinking about that—

The Convener: I am sorry Emma, but do you have a question?

Emma Harper: Yes, but the issue is complicated. It is really challenging to look at how we effect change and get all the voices heard.

Jim Walker: Emma, it is not that complicated. If we go back to the very start of the meeting and to the question about farmer-led groups, the whole point of those groups was to engage with industry at grassroots level—not at a representative level, whoever those representatives happen to be—to understand what people who had skin in the game could see the future looking like.

Then we engaged with civil servants and with others, including environmental lobbyists. We were right in the same room as the environmental NGOs, because we know we must go on that shared journey together. The supply trade was in

the room from day 1, upstream and downstream, so it is not complicated.

What is complicated is that we have the answers but the Government does not want to do anything with them. That is the problem and, in my opinion, there are two reasons why they do not want to do anything with the answers. First, it is too difficult politically. Secondly, because we gave the civil service and officials answers that they were completely incapable of coming up with, they did not like that and now they are kicking back and going back to the good old days of having a committee meeting every day of the week but completely ignoring the people on the committee. They seem to think that if they squeeze the people on the committee hard enough, love them enough and make them feel good enough about life they can ignore them after the meeting. That is what has happened.

Pete Ritchie: I agree with a lot of what you have said today Jim, but you are wrong about that. It is very complicated, because it is a massive organisational change programme involving 20,000—for the most part very small—businesses.

Jim Walker: That is why you have to show them the ways that they can improve their businesses and they will follow.

Pete Ritchie: Can I speak? You have been speaking a lot, Jim.

Jim Walker: Peer pressure and having peers showing people how to do it is the way to get farmers to engage, not telling them what to do.

The Convener: Okay—

Pete Ritchie: Knowledge exchange is really important. Peer pressure is all about culture and values. It is about what makes a good farmer and why we think that it is important to enable small farmers to keep working in remote and rural areas. It is about whether we are praising efficiency on its own or animal welfare and it is about how important climate change and nature are to people. Those issues are all about values, and we are working with a complicated organisational change programme.

What we have not done is invest in exactly the sorts of things that Jim Walker has been talking about—that is, people talking to each other in a structured, organised way—and we have not invested in reforming the agriculture department. We are putting old wine into new bottles, I think—I am not quite sure which way round that goes. Is it putting new wine into old bottles? Yes, that is the right way round, I think. In any case, there are people in the agriculture department who are not sure what the change is, either, and who are not sure what they are trying to sell. There is a lack of clarity, and there is organisational chaos, because

this is not being managed as a complex change programme. Instead, we are trying to manage things by giving farmers carrots and sticks, but that is not how you manage complicated change.

10:15

The Convener: I am aware that we are way, way behind schedule, so I ask that we try to keep questions and responses as short as possible.

I will bring in Neil Wilson briefly, and then we will move on.

Neil Wilson: Broadly speaking, I would say that agriculture, historically, has been a policy follower. If you can get the policy right, however it looks and however complicated it is, you can generally get the industry to follow you. However, we are missing some of that opportunity, and the market is taking over; indeed, Pete Ritchie talked about that earlier. If the policy does not come forward shortly, the market will move, not just in the beef sector but in plenty of other sectors, and will take over.

The Convener: Thank you. We now move on to our second set of questions, which is on outcomes. I call Tim Eagle. *[Laughter.]*

Tim Eagle: Please do not laugh at this.

Let us move to something positive for a second. I genuinely believe that we have great farmers in Scotland and that we produce great, high-quality food. Europe wants our food, and we should be able to supply it. However, the climate change plan update in 2020 said that,

“By 2032, the agricultural sector in Scotland will have adopted and be competently using all available low emission technologies”.

I do not think that we are really there yet, are we? We are talking about seven harvests, which is not a long way away, in reality. My question is this: what progress has the agricultural sector in Scotland made towards meeting our climate change targets?

Jim Walker: The uptake of technology has gathered pace in the past 20 years beyond anything that I have seen in my entire lifetime, and it has been driven by on-farm efficiencies. You have to be efficient to make any kind of margin at all; if you are not efficient, you do not make any.

The good news for policy makers and the climate is that, the more efficiently you do something, the fewer emissions there are likely to be in the process, whether it be in the production of livestock, in arable farming or through using less fertiliser. By default, because farmers are being forced—or, in fact, want—to be as efficient and modernised as they can be, we are doing things on the farm that, 10 years ago, I would not

have expected to see on a livestock farm. I am thinking of, for example, the use of global positioning systems with fields; the varispreeding of fertiliser, slurry, dung and so on, which is something that the arable sector was doing 10 or 20 years ago; using different tyre technology to avoid soil compaction and so on. Loads of really clever, on-farm, practical things are happening that have taken the industry miles forward in the past 20 years, and the industry should be very proud of that.

In answer to Pete Ritchie's question about smaller farmers—including, in response to Rhoda Grant, those in the remote areas of the Highlands and Islands—I think that it is time that somebody in Government grasped the fact that two things are going on in agriculture in Scotland. The first is that really efficient farmers, big or small, are doing their thing, but the other is that people do not have the same ability, because they are not in that kind of environment—by which I mean “area”. If you want to keep people farming or crofting in those areas, you need to carve them out, set up a budget and do bespoke policies for them, whether it be LFA support or whatever—you can call it what you like—so that they have a chance to live the kind of life that they want to live in those very difficult and remote areas.

If it is partly a social policy, so be it. If you explain what you are doing for them, people will want to live there and will be looked after properly. The one-size-fits-all policies that we are working with at the moment sure as hell do not add up for farmers in East Lothian or the south-west of Scotland as well as for those in the Highlands and Islands. That approach just does not work.

Pete Ritchie: There is obviously a lag in what we record, and the inventory has problems in capturing on-farm practice. It will not be capturing the good stuff that Jim Walker is doing at the moment—there will be a lag in that respect.

As I said earlier, in 30 years, there has been a 4 per cent reduction in emissions intensity in the beef sector—that is the actual figure. There have been improvements in lots of technology, but we have seen, for example, an increase in carbon emissions from arable farms, because those farmers are driving their tractors more, and their tractors are bigger. That might change as we move towards minimum tillage, but we have not picked up those numbers yet.

Therefore, it is quite hard to get a very good blow-by-blow update, but we are certainly not getting uptake of low-emission technologies across the board. When it comes to slurry spreading, for example, half of it is still broadcast and not ploughed in. At even the most basic level—that is, what we do with the manure from

our cattle—we are not getting that uptake in low-emission technology that we should be getting.

Jonnie Hall: I endorse everything that Jim Walker said about innovation driving efficiency, which is very clear, and the connection between efficiency and driving down emissions. We need to be clear that it is not about trying to get agriculture to zero emissions; it is about moving towards net zero. There is a subtle but huge difference between those two things. Yes, we can reduce our emissions, but we are talking about agricultural biological processes, where there will always be emissions. It is about the other things, such as how we sequester more carbon into our soils, peatlands, farm woodlands and all the rest of it, as well as driving efficiencies, and also how we do the adaptation piece. That is absolutely key to how we drive future policy.

The other point on that—which Jim Walker also touched on—relates to the Agriculture and Rural Communities (Scotland) Act 2024. Every farm and croft has a contribution to make to the four objectives that are in the act—food production, climate, biodiversity and people—but they will make that contribution in different ways. A one-size-fits-all approach will not work.

We have to reflect on the fact that extensive grazing systems in our hills and uplands are actually good for biodiversity and fantastic for social cohesion and all the rest of it. The socioeconomic elements of this are critical, and they are a key aspect of suckler beef production. It is not just about the kilos of beef and how much beef is worth to the Scottish economy. We could apply this approach to any sector. Let us focus on enabling farms and crofts of all sorts of different sizes and types to focus on what they do best and also to make sure that they do their part on the bits that they are second best at.

I will paraphrase Mairi Gougeon by saying that there is no contradiction between food, climate and biodiversity. If we get the policy right, we can deliver all those outcomes.

Neil Wilson: Jim Walker touched on small farms. There is a potential that the gap grows and that smaller farms and crofts will potentially get left behind because of some of the costs of moving towards those technologically advanced areas and being able to get the broader efficiencies across a larger scale.

The bottom line is that businesses will only be able to continue taking that on if the sectors are profitable. Policy plays a part in that, but I go back to my earlier point that some sectors have moved to a point where there is not enough production, so businesses might start moving into a more profitable area where they can invest more. We can accelerate that. However, if the underlying

economics do not work properly, people will struggle to invest.

The Convener: My next question has more or less been answered, so I will move to the next question, from Emma Harper.

Emma Harper: I will be really quick, because I am conscious of the time. Jim, you talked about innovation and the different things that can be done to support emissions reduction. For instance, I know about giving Bovaer to dairy cattle to reduce their methane emissions. Will you briefly touch on some other examples of innovation that can help to reduce emissions and support efficiency—if there is anything that you haven't mentioned so far?

Jim Walker: It is not just that particular product. In the trial shed that I talked about, we have been renting out our animals to feed companies to trial methane inhibitors to see what difference they make. There are two perspectives to that. The first is to see how much they actually reduced methane production, and the second is to see the impact that they have had on the efficiency of the animal and its ability to put on weight. There is some interesting information coming out of that. Of course, as ever, there are lots of good oil salesmen out there, but not many of them are selling real oil—they are selling snake oil.

I could sit here all day and talk about innovation with regard to better use of nitrogen fertiliser, better use of slurry and looking after the soil better, which is obviously key to everybody having profitable farms. We have mapped 700 hectares of our farm and cored down to a metre to look at the soil carbon as well as the normal stuff that is done. There are loads of things that can be done to make farms more efficient, but you have to have a plan. There has to be a plan in your mind and on a piece of paper for your business that says what outcome you want at the end of a five-year period—we work on five-year timescales.

We have to be really careful in that, although we are all getting excited about the climate emergency, we are not taking emergency measures to tackle it. Of the five countries that produce 50 per cent of the world's methane—China, India, the US, Russia and Brazil—only Brazil is part of the global pledge on methane reduction. Interestingly, when I was listening to the news as I was driving up here this morning, I heard that there is a big hoo-ha because Brazil is cutting down tens of thousands of acres of rainforest to make a road to get to the conference centre for the 30th United Nations climate change conference of the parties. A lot of nonsense is being talked about in relation to the impact.

In this country, in relation to forcing people to try to meet completely unachievable targets that were

set by politicians, I noticed last night the news that the Government has abandoned its idea of having ground-source heat pumps in every house after a year or two of its having been bought, so, in practical terms, some chickens are now coming home to roost.

We should be careful that we do not drive those in the beef and sheep sectors—I am talking about those sectors because those are the ones that I know—out of the industry in Scotland, because we will end up having to import those products, if we can find them, for more money and from parts of the world where meat production involves higher emissions. That could easily happen for two reasons. First, it could happen because of a policy vacuum in agriculture. Secondly, that policy vacuum could be coupled with a drive to net zero that bears no relation to the reality on the ground.

Kate Rowell: I want to labour Jonnie Hall's point that net zero does not mean zero emissions. A lot of carbon removal work can be done on farms in Scotland, but that is not being counted at the moment. All the good work that Jim Walker is doing on his farm is brilliant for him and for efficiency, but nobody is counting it, because we do not have accurate measurements. Even at this point in time, we are still calling a cow a cow. We do not measure all cars in the same way, because electric cars produce less in emissions than diesel cars. However, cows are all counted in the same way, because, at the moment, we use national averages—or even, in some cases, international averages—instead of actual figures.

QMS and the Agriculture and Horticulture Development Board are running a baselining project—which is exactly what Jim Walker is doing on his farm, at his own cost, although he is a bit ahead of us, because he has been doing the work for a bit longer—involving more than 170 farms across the United Kingdom to find out exactly what carbon is stored below the soil and in the above-ground vegetation. Farmers will not respond to being hit with a stick all the time in relation to emissions; they need to see what they can do, what they can achieve and what difference they can make.

Work in other countries, such as Northern Ireland, has shown that very simple things can be done. We might call them innovative, but they are not really. They involve different grass swards and different grazing patterns, so we are going back to things that people were doing decades or hundreds of years ago. That shows how much difference specific farms can make in reaching the net carbon position that we need to get to. Things such as outbreaks relating to animal health can have a great impact on that. If a farmer can see the figures, that really brings home to them the importance of issues such as animal health in

relation not only to their efficiency and profitability but to emissions. All those things should be tied together.

Pete Ritchie: I agree with Kate Rowell. In relation to adopting innovations in agriculture, the issue is not the innovations but getting them adopted. We have known for 80 years that that follows an S-shaped curve. Pioneers such as Jim Walker do things, but it takes a long time to move up the curve and for most farmers to do them. I am talking about injecting slurry, estimated breeding values, intercropping and even using clover swards. Things that people have been doing for millennia have still not been adopted.

The Government does not have an innovation strategy. The knowledge transfer and innovation fund is 0.1 per cent of the agriculture budget, so one thousandth of the money that we give to farmers is being used to support innovation. A lot of innovation is done by farmers and private companies, but the fact that a Government that is trying to do a change programme is spending one thousandth of that budget on innovation and knowledge transfer undercuts the potential for change. Knowledge transfer is about people talking to one another and saying, "I've done this. What do you think?" That is fundamental to change, as Jim Walker said.

We need to boost innovation spending, skills training and advice. We have ideas about a skills pipeline for the next generation of farmers, and there is great potential there, but we have to invest in the change. Tweaking subsidies does not make change happen. For years, we have known from Government figures that the current payment system stops, rather than encourages, change.

Jonnie Hall: To add to Pete Ritchie's last point, "investment in change" is a critical phrase. In many ways, the Government's role is to move from that knowledge transfer bit to something scalable that many farms and crofts can buy into.

10:30

A pertinent example in Scotland has been the talk about the decarbonisation of agricultural machinery, but have we really moved towards investing in it yet? Not yet. That is the whole concept: an almost circular economy for farms, which involves renewables through the use of hydrogen in machinery—therefore not using diesel—and creates the possibility of green manures and all the rest of it.

I am not going to go into any detail on that. However, on the decarbonisation point, one thing that came out of the Climate Change Committee's report four nights ago was that the committee is starting to recognise that we will have to not just change diets and reduce livestock numbers but

deploy other tools in the toolbox. The decarbonisation of agricultural machinery is absolutely one of them. The Scottish Government has an opportunity to initiate things on a proper scale to make that happen.

Kate Rowell: I want to add an example of that, which is from my personal experience. Between two carbon audits that we did on the farm, our carbon figure went down drastically. When we drilled into why that was, the difference was that the second time we did it, the year had been drier, the grass had not grown as much, we had made less silage and used less fuel in our vehicles and less plastic to wrap our bales. As a farmer on the ground, I can do nothing about any of those things, so we need that bigger piece of work to happen as well.

Jim Walker: Without harping on, I sent two attachments to the committee yesterday. The second one was a European Space Agency map of methane emissions around the world, which shows what appears in what part of the world and where the most intense output comes from. You will note that absolutely nothing has come out of the UK—that is how insignificant we are. New Zealand, which is renowned for sheep, has 10 million cows—Scotland has less than half a million cows—and 26 million sheep.

Emma Harper, you like the black and white cows because of where you are from. Just for clarity, those cows produce 98kg of methane a year. The black cows that we are talking about—the beef cows—produce 60kg of methane a year. There are a lot of generalisations about the impact of emissions from Scotland's cattle, herd and sheep flock, but to get that into perspective, we are a pinprick in the world.

That is not to say that we do not need to do anything—we most certainly do—but it has to be done hand in hand with efficient production on farms, because, without people to manage the land, you can have all the aspirations to reduce emissions that you like, but it ain't going to happen.

The Convener: I would like to continue the session for another 20 to 25 minutes. Unless anybody needs to rush away, I will extend the session but take a five-minute recess for a comfort break.

10:33

Meeting suspended.

10:44

On resuming—

The Convener: We resume with a question from Evelyn Tweed. We probably have until 11 o'clock for the remainder of the questions.

Evelyn Tweed (Stirling) (SNP): Good morning, and thank you for your answers so far. My question is about the main challenges that farmers face when transitioning to more sustainable practices, which I know, from speaking to farmers in my area, is an issue.

What are the challenges? You have mentioned some of them already. Kate Rowell asked what change is and what practical options farmers can consider. Jonnie Hall said that there were issues with how information is imparted to farmers. Someone said that farmers want to be told what to do. Do we need to be more prescriptive?

10:45

Kate Rowell: I said that farmers need to be told, but I meant that they need to be told in a clear rather than a prescriptive way what actions they can take so that they know exactly what to do, whether that is planting multispecies swards or incorporating legumes wherever they can. They need specific information.

As well as the knowledge gap, there are financial implications. No farmer will do something that will cost them money and not make them any. Why would anybody do that?

There is also the social side. Farmers are good at doing what others in their area are doing. We all like nothing better than to look over farm gates at what other people are doing. It is accepted that you have to be a brave person to do something a bit different in the first instance, but, as more people in the area do it, it will gather pace.

Those three things are challenges for a lot of farmers. I know that not all farmers are old, but the profile is towards the more mature end of the spectrum, at least when it comes to the decision makers. As we all know, as you get older, it becomes more difficult to change. Younger people are really good at changing. That is another tick in the box for trying to get as many young people into the sector as possible, because they are more likely to embrace the change and go for it.

Jim Walker: I do not disagree with what Kate Rowell said, but my take on the question is fairly straightforward: it is about cost.

If you get involved in an environmental scheme, even if a support payment is attached to it, you will almost certainly be asked to contribute some kind of capital investment to do it, whether it is fencing, putting trees in or digging a pond—it does not

matter what it is. Similarly, if you invest in improved technology on the farm, it will cost you money. You have to be able to see a return on that money, as Kate Rowell rightly said, but if you do not have the cash in the first place because your business is just bobbling along the bottom, you will never do it. Therefore, we must find ways of getting people up that ladder.

That takes us back to the report from five years ago, which recommended that we engage with people who are at different stages on the ladder with regard to how invested they are in their businesses and how likely they are to employ technology or efficient farming methods. Part of that approach was to be carrot and part of it was to be stick. The carrot was mentioned earlier, but I do not see much carrot at the moment. It is all stick, such as the attaching of additional conditionality to existing schemes.

The schemes are not properly funded, because inflation has eroded them. I gave the example of what has happened to the LFA scheme over the past 20 years. That becomes a lifeline payment, as opposed to something that you can put away in a cupboard and think about how you might invest it to improve the profitability of your farm. That is the big issue.

That is the case even with the capital grants that the First Minister talked about at the NFU conference, which are reported to be coming out again this year. I called the previous scheme the Father Christmas scheme, because it encouraged people to go and buy new toys. They had to pay 50 per cent of the cost. Most farmers could not afford those new toys. People purchased new slurry tankers and other pieces of equipment without having any idea why they were doing it. They did it because there was a grant, so they thought, "It must be a good idea."

That is the problem with the hotchpotch that we have, which involves a lack of policy and a lack of defined outcomes.

Pete Ritchie: I agree with what Kate Rowell and Jim Walker said. Part of the issue is cost, but it is also about time.

I used to run a small herd of 20 suckler cows. When my son came back, he said, "Why aren't we pregnancy diagnosing—PDing—all these cattle. You don't know whether they are pregnant, dad. You're wasting money." I said, "Oh yes—all right, then," and we got around to it.

Neighbours rightly stopped lending bulls because of health concerns, so we had to buy a bull for 20 cows. That was a total waste of money. If you have 300 cows, it might be a good idea, but it was a waste of money for us. However, there was no artificial insemination service that could say, "Okay—we'll help you AI your cows, and we'll

give you a good bull that'll give you easy calving for your system."

It is important to provide such infrastructure supports to smaller farmers so that they can get a bit more efficient, because they do not have the economies of scale. There were lots of things, such as silage testing, on which we did not have the information to do better. Given that we were operating on a small scale, it felt as though it would cost a lot to invest in getting that information.

I agree with Kate Rowell's point about the social aspect—that is really important. Questions such as, "Do farmers like me do these sorts of things?" and "What do farmers like me do?", are the sorts of questions that are always asked. Social acceptance is important when it comes to taking on board things such as mob grazing, putting clover in swards and different ways of managing slurry. There are lots of situations in which farmers copy what their neighbours do and have always done. It is very hard for farmers to change until their neighbours change, because they would be seen to be doing things a bit weirdly.

Evelyn Tweed: I have a follow-up question on what Jonnie Hall and Neil Wilson said about communication and the education piece. Neil made a point about the Government having to go out and speak to people face to face. Do we need to speak to farmers face to face more?

Neil Wilson: There are a couple of points to make about that. For years, we asked farmers to do a particular thing, driven by CAP, but suddenly—almost at the drop of a hat—we said, "Hold on—there needs to be a change." There is a massive piece of work being done on change, which involves everything that we have talked about: education, the social elements, established practice and so on. Farmers learn from farmers and work their way through things together.

Jim Walker and Kate Rowell hit the nail on the head: for farmers, this is all about investment. Do they have the confidence to invest? Will they see a return on that investment? Generally speaking, they will probably have to go to a bank. I will put on my old hat for a moment. That will involve their having to justify the bank giving them a loan, which is hard, especially if—Jim Walker mentioned this—the business has been bobbing along and giving them a hand-to-mouth living, without there being a lot of surplus to show to the bank to indicate that they would be able to repay the loan.

At the moment, there is not a long timeline to point to on policy or support payment income, and although the market has improved, there is potential geopolitical volatility coming along. There are a lot of challenges out there. I suspect that, at the moment, more farmers are looking to batten

down the hatches and make the most of the good time that is here, rather than taking another risk, because it is a bit opaque what the future looks like.

To answer your question, the best form of communication is to speak face to face to as many farmers as you can. I would always encourage everybody in this room—officials and others in the industry—to do that. To my mind, it is always the best policy, because farming is still a very person-to-person industry.

The Convener: I will let Ariane Burgess ask a very succinct supplementary.

Ariane Burgess: I want to pick up on the issue of what policy supports or mechanisms would be most effective in helping farmers. Kate Rowell talked about the lack of certainty and the lack of young people coming into the sector. Right at the beginning, Pete Ritchie talked about how tier 4 should be a priority. There is something in there about the education space. I would be interested to hear more about the education that is necessary in order for us not only to transition to a new way of doing things, but to get more people into the sector. We are talking about a sector that is losing people.

Pete Ritchie: To pick up on what Neil Wilson said, knowledge exchange between farmers is really important. Over the past few years, we have run a few projects with the Soil Association and others that have involved farmers who are a little bit further along and a bit more committed to making some of the changes talking to other farmers who are not. We have facilitated such conversations so that people feel safe to ask questions.

The knowledge exchange programme involved 300 farmers, half of whom were men and half of whom were women. It is important to make the point that it is often the women who are the people who support the change in the farms. They are often overlooked, but they are often the change makers behind the scenes who get things moving along.

We are in a change programme. In any other change programme in Scotland, whether it is to do with renewables or construction, there is a whole training, innovation and skills apparatus to drive that change. The Construction Industry Training Board brings people together to ask, "What skills do we need for the future? Where will we get our people?" It takes a systemic approach.

Agriculture contributes about 20 per cent of our emissions, but it is not getting 20 per cent of the investment in the skills pipeline, innovation and knowledge transfer. Agriculture is simply not getting the investment that it needs. As you know, we have been working with Jo Hunt and others on

a skills pipeline proposal. There is an issue there about trying to move forward with an industry for the 21st century.

Kate Rowell: As has been mentioned, QMS runs the monitor farm programme. Way back about 13 years ago, my husband and I were monitor farmers for three years, and we were part of that peer-to-peer knowledge exchange, which was very valuable for our business and for other people's businesses.

I will give one tiny example. At that point, we were being encouraged to make better-quality silage to save money. We did that, and the others in the group saw that we were doing it. We then got a prize in a national competition. All the other members of the group saw that and thought, "Well, if you can do it, maybe we can do it," so they started doing the same thing. It is not rocket science—you just cut grass at a different time. Even after we had finished the programme, three or four years later, our SAC consultant told me that the average silage quality in the whole of Peeblesshire had gone up since we had been monitor farmers. That shows how that sort of thing feeds out across everybody who is interested.

I will give two examples from my veterinary life. To go back to education, the model that the SRUC has pursued with the new vet school has been to look at the problem that we have in Scotland, which is that we do not have enough large animal vets, and to design a new vet school that tackles that problem—I am not involved in that, but that is the case as far as I can see. The school specifically targets students from rural areas who are likely to stay in rural areas and stay in large animal practice, which kind of solves the problem.

The other example from my vet life is that, as a vet, you have to do continuing professional development, but we do not have that in the farming sector. We should be looking at that. It need not involve formal learning—it could involve going to monitor farms or evening meetings—but we should definitely be encouraging that.

Jonnie Hall: Ariane Burgess's question augments Evelyn Tweed's question about how we underpin the transition. One fundamental point is that we need to recognise and reward good practice and best practice—that should be the ambition for how we target future support. At the moment, we have a huge opportunity. I mentioned that decoupled support payments fossilised and then flattened, and that they bear no resemblance to what people actually do on farms to drive efficiency, introduce innovation or whatever. In effect, the area-based payments have just incentivised inertia.

There is an opportunity to move away from those simple, blunt area-based payments to a

focus on recognising and rewarding good practice and best practice. Not only would you then have the innovation and experience that might come out of that, which Pete Ritchie and Kate Rowell talked about, but you would incentivise farmers to move into that space. Fundamentally, doing those actions and unlocking that support payment are fundamental to underpinning their financial viability, and that remains critical. Particularly in more marginal areas, it becomes more and more critical. At the moment, we are building a system where we expect farmers and crofters to change, but support payments are absolutely rigid, rock solid and blunt. We have a huge opportunity here.

Emma Harper: I have a quick question about regenerative agricultural methods, such as cover crops, no-till or low-till farming and agroforestry. How can those methods be made accessible to farmers and crofters across Scotland? What impact do they have on long-term profitability?

Kate Rowell: I cannot comment on tillage, because we are not arable farmers, and I am not representing arable farmers.

On agroforestry, speaking from personal experience, as someone who farms a tenanted farm, we were looking to plant some trees. We had a grant funder in place and the landlord's consent, and we wanted to do it, but the grant did not cover the area in which we wanted to put the trees or the way in which we wanted to do it. We need to match those things up so that people who want to do such activities can access the grants.

11:00

On the back of that, there is all the legislation around tenancy, which the committee will not go into today, but it can affect how tenants do some of those things. That has to be taken into account.

Farmers will plant cover crops if it makes financial sense for them to do so and if they are incentivised to do it. Why would they not? Farmers follow the incentives if they can, and if they cannot see a downside, many of them will take them up.

Emma Harper: Cover crops such as oats can help to improve conditions for ground-nesting birds—black grouse, for instance.

Kate Rowell: Yes. Although all farmers are businesspeople and we talk about money a lot of the time, we love to see animals and nature on our farms. We want to do what we can to promote that when it makes financial sense.

Jonnie Hall: Under the Agriculture and Rural Communities (Scotland) Act 2024, there is an obligation on the Scottish Government to produce a code of practice on sustainable and regenerative agriculture. We need to tread with a degree of

caution on that. It must be a code of practice and no more.

It should be about enabling farmers and crofters to take up practices that will suit the code of practice and the outcomes that we are trying to get to, rather than being overly prescriptive. It could potentially be very damaging if we start to prescribe a regenerative practice that works in one place, because two farms could be side by side and their requirements could be very different.

Pete Ritchie: Some things that we want farmers to do will cost them more money than they will bring in. However, because they deliver public goods, we pay them to do that, which is completely sensible.

There are other areas of regenerative farming where, in the longer term, people are definitely going to come out more profitable than they went in, either because they have reduced their inputs or because they have increased their outputs. Better soil, mob grazing and agroforestry will improve their bottom line, but that might not happen for three, four or five years.

Banks are starting to ask how they can support farmers through the transition phase. Equally, Government could be saying that it has a scheme whereby farmers provide a five-year plan and get a bespoke payment to support them through the transition phase. There are a lot more ways in which we can support farmers to make the transition to regenerative models of agriculture, especially for the things that will not pay for themselves in year 1.

Neil Wilson: It is pretty specific to each farm. I am not that clear about what regenerative farming is—it is just farming. It is about how farmers farm their particular farm and about what suits the way that they do that. Jonnie Hall touched on that.

Pete Ritchie is right—all the research shows that, if people start moving down some of these routes, their business is likely to go backwards before it goes forwards. When it comes to mindset, that is a big barrier to get through.

More broadly, we need to consider what help we can give people to do that. For example, on my little farm I have planted diverse swards with chicory and plantain in them. I am probably making a complete mess of it, because, although I kind of know what I should be doing, I am not sure that I am making a great job of it. That goes back to the point about sharing knowledge. To make those things work, I need to spend a fortune on infrastructure as I just do not have that on my small farm.

The Convener: I am conscious that Jonnie Hall needs to get away at 11 o'clock. We have two

questions left, but, if you feel that you need to get away, I completely understand.

Jonnie Hall: I am watching the clock.

Rhoda Grant: I will be as quick as I can. The Scottish national adaptation plan highlights how vulnerable agriculture is to climate change, with flooding, drought, diseases and pests coming into the country. What will the impact be if farming does not adapt or if adaptation is not given significant priority? What is the Scottish Government doing to help farmers to deal with those risks?

Jonnie Hall: I will quickly come in on that, as I mentioned that earlier. Obviously, emission reductions have been our primary focus—they still are in many ways—but sequestration is important. Going forward, adaptation will be critical, given some of the extremes that we have seen in the past two or three years. In 2023, we were pretty much burning up in June and then had horrific floods in October, which caused all sorts of damage in different ways. Therefore, building resilience into agricultural businesses, particularly in our horticulture and in veg and cereal growing areas, will be critical. Investment in that area is as important as investment anywhere else. The question is, how do we build more resilient businesses going forward?

Jim Walker: The south-west of Scotland is a good grass-growing area, but we have to rely on making enough winter-keep silage that we can have cows in the house for eight months. Now, we can rely only on a four-month grazing season because of the change in the climate that we have seen in the past 10 years.

Normally, we do not get on to the ground to do anything until the last two or three weeks of winter, when there is no frost cracking the ground. I have never seen so many fields panned and poached, with all the soil structure issues and problems that that brings with it.

This time last year, we were about to start lambing sheep, but I was not able to ride a motorbike or buggy on some of the best ground that we have on the farm, because it was so wet. I have never seen anything like it and I am 64 years old.

Farmers are having to adapt. Some of the older ones are just saying that they have had enough of it. I know people who left the industry last spring because they could not face it again, and that situation will continue to happen.

It all comes down to the same thing: farmers need to have a plan and a fallback position, and all of that requires investment. If someone is going to make and store silage for eight months, with eight months of slurry stored alongside it, which is what

we need, that will require considerable capital investment. Therefore, the industry has to be profitable.

Pete Ritchie: We know that better soils make a huge difference, because they are better at handling drought and floods. They really help. We need a chief soils officer in Scotland, and we need to really pay attention to soils. As Kate Rowell said, agroforestry can help with water management on the farm, but we need to help farmers to adapt to the new climate and we need to invest in glasshouses so that we can grow more of our stuff inside.

Kate Rowell: One thing that has not been mentioned is that, due to climate change, there is a change in animal disease patterns. That is another thing that we need to be really clued up on, because diseases that we have not seen before will come into the country. We need to have in place the right strategies to keep them out and ensure that we know how to deal with them when they come in.

The Scottish Government has announced some money for light detection and ranging—LIDAR. Part of the work that we are doing on baselining for farms involves using LIDAR to show where, for example, there is run-off, so that farmers can then make decisions to plant in specific places to stop that. That means that, rather than not having that information, farmers know what to do about it and how to adapt in the best way, and they are not just plucking things out of thin air.

Evelyn Tweed: Climate change is causing more storms. Recently, we had storm Éowyn. How are farmers dealing with that, and do they need support?

Jim Walker: National Farmers Union Mutual Insurance Society is dealing with it in the main, by putting new roofs on sheds and so on. As the greens convener at Thornhill Golf Club in sunny Dumfriesshire, I can say that we are tidying up the mess of another 80 or 90 trees that have fallen following the 250 trees that came down in November two years ago. They are not trees that have been planted in the past 10 years; some of them have been there for more than 100 years.

I had the misfortune of driving from Dumfries to Elie, in Fife, on 24 January during that storm to attend a very close friend's funeral. I have never seen so much havoc wreaked over that distance. Nowhere was immune to it. That is something that we—not just farmers but everybody—will have to get used to. I do not think that Government intervention will sort it; we will just have to make the best of it.

Neil Wilson: I would broadly agree with that. With such storms, there is a limited amount that the Government can do. Issuing pre-warnings of

storms helps—I think that this time it got the pre-warning right, so that people could prepare themselves, but there have been plenty of times when we have not had that. Outside of that, I do not know what else Government could do.

Jim Walker: Again, it is about making investment and having modern infrastructure on farms. We need up-to-date sheds, not ones that are 50 years old. They need to be fit for purpose for 2025 and for the next 25 years. If that investment does not roll on, farming will go backwards. The climate is changing and it is wet here every winter. If the investment is not available to put cattle in sheds, for example, cattle will continue to leave the country—that is what is going to happen.

It is all about the same thing. You can have all the conversations that you like about climate change and emissions reduction targets, but unless businesses are profitable, they cannot invest in the future of their own business nor in the nice-to-have things—which, as they see it, are reducing emissions, improving efficiencies and so on. That just does not happen.

Returning to my example about environmental schemes, I note that someone who gets involved in an environmental scheme will have to spend money. We do it because we see good reasons for it, but there must be good financial reasons for doing so, as well. If someone does not have the capital to invest, they will not do it.

Kate Rowell: On the question about storms, the Government or other authorities could do things to make it easier. Last night, I was speaking to a friend who, during the previous storm, had had a small shelter belt more or less come down—some of the trees are down and some of them are not. They have another area of forestry and have people in, taking that down. They are trying to get a felling licence from Forestry and Land Scotland to remove the small shelter belt, but they have been told that the decision on that will take three to four months. Although the equipment is on the farm, they are not allowed to take down the rest of the shelter belt. If little things such as that could be ironed out, that would make everybody's lives so much easier when it comes to dealing with storms and so on.

The Convener: Our final question, which might be the most important question of the day, is from Tim Eagle.

Tim Eagle: You have talked it up now. [Laughter.] I had better deliver it well. It is quite a specific question. We have spoken about where we are trying to get to with emissions reduction targets. In the context of Scottish agricultural policy, are you confident that we have in place the

specific metrics and benchmarks to measure progress, or would you like to see more?

Jim Walker: We absolutely do not have those in place. That is the whole point of this. Five years ago, the first priority that we identified as a group was not subsidies but the fact that, for efficiency, sustainability, emissions reductions, climate change and so on, we have to have baseline data to work from—and we do not. We do not have the capability to gather it. Whole-farm plans are all very interesting, but what are they trying to capture? A carbon audit is all very interesting, but what will you do with it once you get it?

Information is power, and we do not have it. Even if we could capture it, who would be in charge of it, where would it be stored and how could you get access to it safely so that somebody else cannot get their hands on it? ScotEID was set up to look after animal movements. It has got involved in bovine viral diarrhoea work, as well, which is a complete shambles, because the computer systems do not talk to each other.

Who would actually perform the data task is a complete unknown to me. We identified it five years ago as something that the Scottish Government had to look at and come back with an answer on, but, as far as I am aware, we are still waiting five years later.

Neil Wilson: We cannot even agree on what carbon audit tool to use. They all spit out different numbers and, as Kate Rowell said, whatever the number is, we need to know why it is different and how to explain it. I have done a carbon audit; I got it and it told me something, but I am not sure what, and very few people can explain to you why it comes out that way. If we cannot agree on the tools that we will measure with, we will not get anywhere.

Kate Rowell: We are not measuring anything properly. This has been said already: we are averaging out things; we are using figures from the whole of the UK or, even worse, the whole of the world to make calculations on things; and the Scottish Government is paying farmers through the preparing for sustainable farming scheme to do soil sampling and we are not aggregating that data—there does not seem to be anything central to aggregate that in. The same goes for carbon audits.

To take it to a higher level—this is not really the concern of the committee—I note that the methodology of calculating methane is completely disputed. The global warming potential 100 figure and the GWP* figures are very different, and there does not seem to be general consensus on that. At the Intergovernmental Panel on Climate Change level, they are still working on GWP100, but there is a growing body of evidence that says

that that is not the right way to calculate methane. Using a different way to calculate things could change everything that we do; just a few years ago, peatlands as a whole went from being a carbon sink to a huge carbon emitter, just because of different ways of calculating things. Globally, we need to nail that down, as well.

Pete Ritchie: I agree with Kate Rowell. It has been disappointing to ARIOB that we did not use the preparing for sustainable farming period to do some of this baselining and to use a common carbon calculator—even if it is not perfect—to aggregate the results and have a data set that we could work with.

11:15

As Kate Rowell said, a lot of the emissions factors are crude. In many contexts, a cow is a cow and small cows eat less, so they emit less methane. We do not necessarily capture that and, as I said earlier, our data collection is always lagging behind. Even the smart inventory is not that smart. We need to set really clear and ambitious targets 20 years ahead. We need to halve the emissions from agriculture and double carbon sequestration on farms while maintaining food production, certainly in terms of nutrients.

We can set those targets and then create pathways to them. We must recognise that our measurement will not be week by week, month by month or year by year, but will tend to be five years at a time. That is part of the price that we will pay, but, as long as we have good ideas about why the actions that we are taking will lead to the changes that we want to see, we can progress on that basis.

Jonnie Hall: Tim Eagle's question is critical. We absolutely need baseline data at farm and aggregate levels, but that opens up another can of worms entirely. Someone touched on the fact that data must have a value for farmers, but that takes us into a big discussion about who has control of the data, particularly regarding things such as market access issues. The supply chain, all the way through to retailers, has a huge interest in farm-level environmental data, and a lot of the data that we might want to use to support and underpin policy decisions is being captured in many ways by suppliers rather than by farmers. That is already happening.

We need a joined-up system, not to pool data but to share it and to talk to each other, but we are still miles away from achieving that. There is lots of data buzzing around, but, at the moment, farmers do not feel in control of their data, which does have a value and is important.

Tim Eagle: Can we sum all that up in a yes or no answer? Are we on track to meet the target of a 39 per cent reduction in emissions by 2040?

Pete Ritchie: No.

Neil Wilson: Can we say that we do not know?

Tim Eagle: No.

Jim Walker: It depends on what you measure. The measurements are changing, so we cannot give a yes or no answer. There has been a significant reduction already because animal numbers are dropping. If all the carbon and methane emissions were properly measured—which they are not, because, as happens on our farm, they are not captured by the calculator at the moment—that would make a significant difference to the number.

We have another 14 years or whatever it is—did you say 2039?

Tim Eagle: I said 2040.

Jim Walker: We have 15 years to figure out how the hell you measure that and then to figure out the on-farm measurement.

I have just had a good idea in answer to your previous question. Every June, farmers around Scotland are asked to fill in a paper form called an agricultural census that asks them clever questions such as, “How many tractors do you have? How many wheelbarrows do you keep? How many wheels do they have?” We assiduously fill in those forms because we are threatened with fines of up to £1,000 if we do not.

Tim Eagle: That is right.

Jim Walker: There is also the army of sheep counters that I referred to earlier. Why does the Scottish Government not reassign those officials to capture information that might be of some damn use to someone, instead of sticking it in a report that no one ever reads?

Tim Eagle: Sorry, convener, but I should declare an interest before someone shouts at me later. I have a small farm.

Kate Rowell: We recently worked with SAC on a road map that shows that we can get to 31 per cent with the existing technology if we do all the right things, but we will need innovation and new thinking if we are to achieve the higher figure.

Jim Walker: How many cattle did you assume will still be there in 2040 with that 31 per cent reduction, Kate?

Kate Rowell: I cannot tell you off the top of my head, Jim.

Jim Walker: That is key. They will not be here.

The Convener: We must draw that discussion to a close. Tim Eagle has declared an interest, so I should declare one. I have something in common with Kate Rowell in that my father and I were the UK silage-making champions for the British Grassland Society, back in the 1990s, and we were the first Scottish farmers to achieve that.

Kate Rowell: We never won; we were only second.

The Convener: Oh well, there you go.

On that happy note, I thank everyone for their perseverance in a tremendous meeting. I know that we have run considerably over time, but your evidence will help us in our further deliberations when we look at climate change in the future. I thank everyone for their attendance.

11:19

Meeting continued in private until 11:52.

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