



Official Report
Aithisg Oifigeil

DRAFT

Rural Affairs Committee

Comataidh nan Cùisean Dùthchail

Wednesday 2 September 2026

Session 7



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RURAL AFFAIRS COMMITTEE 2nd Meeting 2026, Session 7

CONVENER

*Mark Ruskell (Mid Scotland and Fife) (Green)

DEPUTY CONVENER

*Andrew Baxter (Skye, Lochaber and Badenoch) (LD)

COMMITTEE MEMBERS

*Dawn Black (Angus North and Mearns) (SNP)
*Finlay Carson (Galloway and West Dumfries) (Con)
*Jamie Langan (South Scotland) (Reform)
*Laura Mitchell (Moray) (SNP)
*Emma Roddick (Inverness and Nairn) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jonnie Hall (NFU Scotland)
Martin Kennedy
Professor Davy McCracken (Scotland's Rural College)
David McKay (Soil Association Scotland)
Professor Dave Reay (Just Transition Commission)
Donna Smith (Scottish Crofting Federation)

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament Rural Affairs Committee

Wednesday 2 September 2026

[The Convener opened the meeting at 09:30]

Interests

The Convener (Mark Ruskell): Good morning, and welcome to the second meeting of the Rural Affairs Committee. I ask everyone to ensure that all electronic devices are switched to silent.

Our first item of business is a declaration of interests by Emma Roddick. As Emma was unable to attend the committee's first meeting, I invite her to declare any interests that are relevant to the committee's remit. That applies whether or not such an interest is relevant to today's business and is in addition to the ordinary requirement to declare interests that are relevant to specific items of business.

Emma Roddick (Inverness and Nairn) (SNP): I have no relevant interests.

The Convener: Thank you, Emma.

Decision on Taking Business in Private

09:30

The Convener: Under agenda item 2, do we agree to take in private item 4, which is consideration of the evidence that we will hear from our witnesses on the rural support plan?

Members *indicated agreement.*

The Convener: Thank you.

Rural Support Plan

09:31

The Convener: Agenda item 3, which is our substantive item of business today, is a round-table evidence session on the rural support plan with a number of witnesses who have kindly agreed to join us. We have scheduled two hours for the discussion and we expect to cover a range of issues, so I would be really grateful if both questions and answers could be kept as concise as possible.

I will briefly introduce the witnesses before we move to questions from members. As this is a round-table session, members may direct questions to a specific witness or group of witnesses. When a witness wishes to respond to a question, they should indicate that by raising their hand and I will bring them into the discussion at an appropriate point. The aim is to encourage an open and constructive exchange of views while ensuring that all members and witnesses have an opportunity to contribute.

I welcome to the meeting Jonnie Hall, deputy chief executive officer and director of policy at NFU Scotland; Martin Kennedy, former president of NFU Scotland; Professor Davy McCracken, deputy head of the school of natural and social sciences at Scotland's Rural College; David McKay, co-director of the Soil Association Scotland; Professor Dave Reay, co-chair of the Just Transition Commission, who is joining us remotely; and Donna Smith, chief executive of the Scottish Crofting Federation.

I remind everyone that there is no need to operate microphones, as that will be managed by our broadcasting team. When you wish to speak, please indicate that by physically raising your hand. That applies to Dave Reay, too. When I invite you to contribute, broadcasting colleagues will activate your microphone for you.

I invite questions from members. Finlay Carson will ask the first question.

Finlay Carson (Galloway and West Dumfries) (Con): It is nice to see everybody. Some of you are the usual suspects, but it is good to be back around the table.

Back in March 2025, Jonnie Hall told the Rural Affairs and Islands Committee that

“we have not made any significant progress”

in using the powers that are available to the Scottish Government to deliver agricultural reform, and we heard Pete Ritchie say:

“We were expecting a big bang, but there is just a very small squeak”.—[*Official Report, Rural Affairs and Islands Committee*, 12 March 2025; c 4.]

Kate Rowell warned that farmers “lacked certainty” about where reform was heading.

It is 10 years since Brexit. We have had plans and consultations, but most respondents have suggested that the agricultural support framework is mainly a continuation of common agricultural policy-era support. What makes what we see in front of us a genuine reform programme rather than just a repackaging of current packages?

Jonnie, as I mentioned you, will you attack that question first?

Jonnie Hall (NFU Scotland): Yes. If we look back to 2025, my immediate observation is that, at that point, I was not overly critical, but I certainly commented on the fact that we had not made any significant movement away from our legacy common agricultural policy schemes. That remains the case today, particularly in relation to delivering direct support elements to farmers and crofters in and around the basic payment scheme, greening, less favoured area support, coupled support and so on.

There was a frustration among farmers and crofters, and across the industry, that there was still uncertainty about what was going to happen, when it was going to happen and what expectations would be placed on people to deliver on the agreed objectives of the Agriculture and Rural Communities (Scotland) Act 2024 around high-quality food production, climate, nature and people. There has always been an expectation that things need to change, and we need to focus more on how we get best value out of direct support payments to deliver against those objectives, because those objectives are very different from the original objectives of the CAP schemes.

However, I would now qualify an awful lot of what I might have said in 2025 by saying that the stability and certainty that we now have in Scotland—much of it written into the rural support plan—is exactly what the industry needs right now, given what is happening today in relation to a ream of things that I could list, including geopolitical events such as the middle east crisis, fuel and fertiliser costs, more extreme weather events, higher disease risks and so on. Having that stability right now is a good thing for Scottish agriculture. Ultimately, we will always need a platform of stability if we are to deliver the outcomes that are being asked of us as an industry.

That is not to say that we do not need to move forward at some point. The reasons why we are not moving at a greater pace are up for debate and discussion. However, I will steal Martin Kennedy's thunder by saying what he always says, which is

that it is better to move slowly in the right direction than quickly in the wrong direction.

Professor Dave Reay (Just Transition Commission): I have to disagree with Jonnie Hall. Finlay Carson asked whether the new rural support plan moves the dial on where we were last year. However, I would go back beyond last year to 2019, when the Scottish Parliament declared a climate emergency. In the intervening years, particularly this year, we have seen extreme weather events, which Jonnie Hall mentioned. They have hit a lot of people in Scotland and across the United Kingdom and the world, and our farmers and crofters are particularly exposed to climate risk. However, the rural support plan does not really address that. The issue of stability has just been mentioned, but we do not have climate stability. We certainly do not have time to take things slowly.

Martin Kennedy is right to say that it is better to move in the right direction slowly than in the wrong direction too rapidly. However, with regard to climate, we are moving very rapidly in the wrong direction and the rural support plan is much the same as what we have had before. It essentially maintains direct payments in pretty much the same form in which we have had them for years; it does not address the climate and nature crises, and it does not acknowledge the urgency of what farmers and crofters are seeing in terms of climate change.

The idea of stability needs to be set in the context of what is happening in the whole world. As Jonnie Hall says, factors such as political instability, food security and so on are really important, but climate instability and the nature crisis are really crucial, and the plan does not address them sufficiently.

Professor Davy McCracken (Scotland's Rural College): Those of you who know me might not be surprised to hear that, as an academic, I will fall somewhere in the middle of those views. Certainly, the architecture that is detailed in the rural support plan—the four-tier approach—provides a good base to work from, especially given the opportunity that is set out in the plan to move some funds from one tier to another, whether from tier 1 to tier 2 or from tiers 1 and 2 to tiers 3 and 4. That, in itself, is an excellent base from which to move forward.

I agree with Dave Reay, and I will, no doubt, agree with others around the table, too. For me, the plan as it stands does not give farmers, land managers and crofters the sense of urgency that is really needed out there. As an ecologist, I am coming from the biodiversity and climate change side of things, but we are not talking about addressing the biodiversity crisis and the climate

emergency simply from a wider societal point of view; we need to address those things by helping our farmers and crofters to become much more resilient to ongoing climate change.

Before this session started, we were discussing the fact that we have, to some extent, been lucky in Scotland this year in that we have not seen the extremes that have been seen down south. However, that is probably a matter more of luck than of judgment, and we will start to see more of those extremes going forward. As a result, we need to allow our farmers and crofters to adapt farms and crofts, and their farming and crofting systems, to make them much more resilient to ongoing climate change.

For me, the plan as it stands does not have the required level of urgency. We need more of these actions to happen sooner than the plan has planned for.

David McKay (Soil Association Scotland): Building on what Dave Reay said about the declaration of the climate emergency in 2019, I have to say that I do not think that the pace and scale of change have been commensurate with that emergency footing. As Jonnie Hall mentioned, we are still dealing largely with legacy CAP structures and the previous schemes that were in place, and all the evidence, including the evidence supporting the rural support plan, suggests that those structures and schemes are poorly targeted, are unfairly and unequally distributed, and deliver limited environmental impacts. That is largely because the vast majority of the budget—80 per cent, as things stand—is still stuck in direct payments.

For a long time, we have advocated for a larger overall budget for agriculture. After all, our calculations suggest that, if the budget had just kept pace with inflation, it would actually be about £910 million at present, rather than £670 million. There is a significant gap in that respect. However, having listened to the First Minister yesterday and being aware of the state of the public finances, I think that we can expect the agriculture budget not to increase. That being the case, the current budget will have to work harder and be far better targeted than it is.

Donna Smith (Scottish Crofting Federation): I am not sure that I have much to add. We share the frustrations highlighted by the three Daves about the real lack of any kind of indication of where we are heading. It is right that the plan starts with the current support systems slotted into the four tiers, but it is a five-year plan and, even by the end of it, we do not really see any significant moves other than a very sudden injection into tier 3 for a year at the end. We would have liked more of an indication of how things might gradually

move through that time, but that is not reflected in the plan, and I think that we share everyone else's frustrations in that respect.

Martin Kennedy: At the risk of being perhaps too blunt, convener, I have to say that I have been looking around the table and I see that I am down as a former NFUS president. However, I am currently a beef and sheep hill farmer in highland Perthshire, and I am 100 per cent reliant on income from agriculture and support from the Government.

For a number of years, we have been really concerned about the pace of change, but it is not for the lack of trying to get that pace of change and a focus on activity. When you look at the current budget and at the way that fuel and fertiliser costs have gone, you will see that direct agricultural support is probably doing half of what it did 10 or 15 years ago. That is the reality.

Like Jonnie Hall, I have always said that it is better to go slowly than to rush things and get them wrong. We see what is happening elsewhere in the United Kingdom with businesses, the economy and our ability to produce food—which is, incidentally, the one thing that we cannot do without. We need to be very mindful of that.

We have to be fully aware of climate change issues, but, right now, we are not focusing on active agriculture, and that is where the frustration is. There have been quite a number of changes, but we are already seeing small producers walking away from things such as the single application form because there are too many things in it—the whole farm plan, for example. They are saying, "Well, there's far too much involved in this, so we're just going to walk away. It's not worth our while."

We want people to be involved—we want them to take part in elements. I will always say that food is a top priority, but so is climate, so is biodiversity, and so are people. This is all about rural communities. If we do not have people working in those communities—particularly farmers and crofters in the north, the west and probably some of our more remote areas—and if we do not have proper direct support going into those areas, we will not have rural communities. After all, those are the people who keep our rural communities thriving and surviving.

As several people have mentioned, we are already seeing the effects of climate change. It is having a massive impact, and the biggest impact is coming from the wildfires that we have seen recently. Those wildfires are happening on land that is currently not being managed, and, as a result, fuel load has become a massive issue. When you speak to the fire brigades and authorities, they are very concerned about it. The

amount of area where fuel load is building all the time is incredible, and that situation will only be exacerbated and become greater if we do not have managed landscapes in Scotland.

09:45

The Convener: Thanks for that. I just want to focus a little bit more on the rural support plan itself, and I would like some quick responses on the four tiers that are in it. Davy McCracken, I think that you said that that is an appropriate structure.

Professor McCracken: Yes.

The Convener: Is that view shared around the table? Do the four tiers work? Also, how do existing schemes map on to them? Is it pretty seamless? Are there any other issues with the way in which the support programmes map across?

Can I go back to you briefly on those questions, Davy? If others want to come in, that would great, but you should not feel that everyone has to do so.

Professor McCracken: The four tiers provide a good structure, and the mapping of existing and historic schemes on to them is a sensible move, but what is lacking is an actual pathway and some sense of direction with regard to how the schemes will change over the next five years.

Jonnie Hall: I totally agree—the four-tier structure is exactly where we need to be. Back in 2018, we published a document called "Steps to Change" in which we set out exactly the same structure as the future direction of support. That was instead of the old pillar 1 and pillar 2 of the CAP, whereby you had direct support payments in one bit, rural development measures in another and a big gap between the two. It was all about collapsing those pillars—if I can use that jargon—and having a baseline of underpinning supports to provide financial certainty and ensure that businesses remained viable, particularly in more challenging environments.

It was also about building on that. I need to stress that there should be no contradiction between targeting direct support payments with conditions attached to them and delivering the outcomes that we want on food, climate and nature. I am concerned that everybody thinks that direct support payments are just for looking after an agricultural business, a croft or whatever it might be and that they do not deliver any other outcomes. That is the thing that we need to change. We need to move away from the likes of the basic payment scheme and current greening and focus on agricultural activity rather than on a particular area of land. The area-of-land approach is far too blunt a tool to deliver the outcomes that we want. That is the nuance that we must start to focus on and pick up in this debate.

Donna Smith: We agree that the four-tier structure is sensible, but there is also a lot of detail in and around that about how you balance the tiers and make them work.

Picking up on what Jonnie Hall just said, I point out that the SCF has long been a supporter of looking at how we redistribute some of the payments, particularly in tier 1. Obviously, moving away from a land-based approach will start to help, but we still need to ensure that our smaller businesses that work in rural areas and that have higher inputs—the ones that Martin Kennedy talked about—have that recognised in some way through the new payment structure. What they do is harder and more expensive, but they are equally important as some massive, intensive farm down in the central belt. When we look at how the four tiers are developing, we must factor in some of those things.

The Convener: The basic four-tier structure is fine, but the detail is important, too.

Donna Smith: Yes.

David McKay: We would agree with what has been said. I also agree with Jonnie Hall about active agriculture. We need to rebalance the budget across the four tiers, and we would like to see more of it moving to tier 2 over time. I think that the original iteration of tier 2 was in 2023, with the publication of a list of measures that were essentially different agricultural practices that could be recognised and rewarded in order to help farmers to deliver climate and nature objectives and to adapt to the changing climate. We need more of the budget to be in tier 2, not just to incentivise the uptake of those practices but, crucially, to reward those who are already doing them—many of those practices will be things that farmers are already doing. It is not necessarily about taking money away; it is about shifting the budget more into active agriculture, which I think is what Jonnie Hall is talking about.

Likewise, with regard to tiers 3 and 4, we currently have a small increase in the budget for tier 3 by the end of the five-year term. We need to ensure that that money is effective and targeted at the more landscape-level habitat options that we might see through agri-environment schemes.

There is a way of doing this whereby we can maintain the basic underpinning of farm support, which recognises the viability points that Jonnie Hall and Martin Kennedy are making, while shifting more of the budget primarily into tier 2, to encourage the uptake of the practices that we want.

The Convener: Emma Roddick has a question in this area.

Emma Roddick: It is more about what is not in the plan. During stage 2 of the Agriculture and Rural Communities (Scotland) Bill, there were conversations about support for people who grow energy crops. Does anybody have a comment to make on the current clarity around what that will look like and what you would like to see?

The Convener: Who would like to come in on that?

Jonnie Hall: I had better do so.

During the passage of the Agriculture and Rural Communities (Scotland) Bill, there was an awful lot of discussion about what the primary objectives were. As I have stated, the primary objectives were, in blunt terms, food, climate, nature and people. I think that the vast majority of people recognise and respect that. The point that I always make is that there is no contradiction between any of those. High-quality food production can be pursued in a way that also delivers the other outcomes—it is not a case of having one or the other. There are no binary choices, as I keep saying.

On energy crops, which are a niche element of the debate, there will always be differing views as to whether we should use our more productive agricultural land primarily to deliver food outcomes and to underpin the agrifood sector, which is worth £19 billion to the Scottish economy and is clearly a driver of economic growth and so on, or whether we should use that land in a less productive way, in a sense, to produce renewable energy and all the rest of it.

I think that most farmers, crofters and land managers want different market opportunities and different options, so that they can focus their working capital and their endeavours on getting an outcome that underpins their business. That is fundamentally important. I would not want to see legislation of any sort that says they can use land only in a particular way. That is probably a subject for a bigger and wider discussion about land use. We should not say that certain land can be used only in a particular way; there should be the optimal use of land but not the exclusive use of land, if that makes sense.

I do not know whether I have answered your question at all.

Emma Roddick: Is more clarity needed to support people to diversify and have confidence that, if they do so, they will not be out of pocket?

Jonnie Hall: That is always the case. We are moving out of a discussion about the Agriculture and Rural Communities (Scotland) Act 2024 and into a discussion about how we use Scotland's land to best effect. That is a much bigger

discussion, but it is a very valid discussion and a really important one.

In many ways, society as a whole in Scotland probably expects and demands too much from our land, because we want it to deliver everything, yet an awful lot of it is very constrained. We want it to produce food, we want a place for recreation, we want it to provide renewable energy and we want it to manage water, habitats, biodiversity outcomes and all the rest of it. As I keep saying, we have to be careful not to nail things down and say that there is an exclusive use of land rather than the option to use land in what might be the best interests of a business versus what might be in the best interests of wider society. The pinch point for policy makers is—

The Convener: I want to pull it back a little bit, Jonnie. We are going into a wider, really interesting but more philosophical conversation about how we use land. I want to go back to the rural support plan. As Emma Roddick has pointed out, we had evidence that some elements are missing, such as horticulture, rural development support and support for supply chains—we have the Agricultural Industries Confederation coming in for a later session. Like Emma, I am interested in what is missing in that space.

I think that Dave Reay wants to come in on this, but I will first go to David McKay and then Davy McCracken. I will go with all the Daves.

David McKay: Very briefly, on the point about bioenergy, we need to be realistic about how we currently use our land. The best arable land on the east coast of Scotland is largely—I think that the figure is about 80 per cent—used to produce raw materials for alcohol or animal feed. I understand that there is a case for bioenergy crops, but we need to be careful and cognisant of what is happening elsewhere in the world. Countries that we import food from are struggling with water stress and drought. I am talking not just about north Africa—you can see what has happened in England and parts of Europe over the summer. We need to be careful to prioritise diverse food production from our agricultural land.

I will also quickly comment on what is missing. One scheme that is missing but could be there is a market garden support scheme, which links to my first point. The Soil Association is part of the Scottish Agroecology Partnership, and we have a detailed proposal in place for a dedicated scheme to support market gardens, which would involve areas below 30 hectares with a turnover of up to £20,000. Those are highly productive systems on very small areas of land. People are growing aubergines and cucumbers in places such as Skye. They are growing sweetcorn in Inverness. There is an amazing diversity of produce and, if we

are serious about being a good food nation and having a local food strategy, we need to encourage that. We would like that to be included in the rural support plan.

Professor McCracken: I have an additional comment on what is missing. As you know, the 2024 act highlights the need to support thriving rural communities. The rural support plan acknowledges that in a number of places. However, particularly because we do not have a rural delivery plan and, as far as I am aware, we are not going to get one—it certainly did not appear in the previous parliamentary session—what is missing from the support plan is that it does not go into any detail about how wider rural communities in Scotland will be supported, although that is important. Agriculture and crofting involve an element of supporting those wider communities, but many of those wider rural communities are disassociated from agriculture and crofting but are still important, as was recognised by the 2024 act.

For me and some of my colleagues, that is a missing piece. In fact, I highlighted in my written evidence that three of the four objectives that are set in the rural support plan specifically for thriving rural communities are related to agriculture and crofting—they are to do with agricultural wages and so on—and not the wider communities themselves.

Professor Reay: I was going to say what Davy McCracken just said about the need to take a wider system view of the rural support plan. For me, a key thing that is missing—we have said this already, so I do not want to labour the point too much—is enough money, particularly in tier 4, for that kind of thing. Thinking about the potential of things such as integration with the community and renewable energy scheme—CARES—around renewable energy, or integration in terms of tier 3 and land use, which David McKay talked about, we can essentially identify some of the trade-offs and risks. Bioenergy has its place, but there are risks associated with it from a climate point of view, as well as other issues.

In theory, the rural support plan with the four tiers should help to make those connections. However, although much of it says that we have good processes for integrating across the climate change plan and rural development aims, which Davy McCracken mentioned, when you look at it, there is hardly any resource devoted to that. That is a big gap.

The Convener: I will take brief supplementaries from Laura Mitchell and Jamie Langan together, and we will then go to Martin Kennedy and others to respond.

10:00

Laura Mitchell (Moray) (SNP): I will try to be brief. The plan is obviously based on a definition of “active farming”. How do we define and assess “active farming”? I am also interested in the importance or otherwise of direct payments to a just transition in which people are not left behind.

Jamie Langan (South Scotland) (Reform): I think that David McKay touched on a very interesting point: is there a worry that we might get confused away from the central objective of Scottish agriculture, which is secure food supply? David, you also touched on the point that we are probably moving to an era in which we cannot necessarily rely on overseas imports as much as we did. With the rural support plan and broader discussion around policy direction, is there a worry that we are trying to do too many things and getting away from that central objective?

The Convener: We will get some comments on those questions and then move to a different theme.

Martin Kennedy: I will make two or three points and then maybe come to the supplementary questions. First, on the energy crops situation—and it is not a flippant remark whatsoever—we always have to remember that, more than 100 years ago, when we were growing oats for our heavy horses and cultivated all the land to grow our food, far more of our land was used for energy crops. That is just an aside, but we always have to remember such things.

The Good Food Nation (Scotland) Act 2022, which Dave Reay mentioned, is not really delivering—from my perspective, it is not delivering at all. When it comes to being a good food nation, given what we all do, we should be using our own produce. We know 100 per cent that the imports that we are bringing in from other parts of the world do not meet a lot of our standards, for which we currently jump through so many hoops. When it comes to being a good food nation, you will find that, if we were using our own food, farmers would grow more food. The reason why a lot of people are diversifying into energy crops and other uses for their land is that there is no money in growing food now. That is a concern.

Jamie Langan made a point about our being fearful now about where imports will come from, given what is happening in Europe. It is not so easy nowadays to import, given what is happening in Europe and in other parts of the world from which we have imported food. Much of the frustration of the wider industry is because a lot of that food does not meet the standards that we go through to put food in front of our consumers. With climate change, that concern will increase.

Nobody is denying what is happening with climate change—I certainly am not. Climate change is a reality. However, it is not always about mitigation; it is also about adaptation: we must adapt to how the climate is changing. As we adapt, we need to look at things such as our water resource and invest in water reservoirs and so on. From an agricultural perspective, water can sometimes be a real problem. We are fortunate at the minute in that water is our biggest asset in Scotland, but we need to look after that asset and consider our water resource—for example, by storing it.

Laura Mitchell mentioned the active farming element. That has been a frustration of mine for a considerable time, because we are directing support to areas of land that are simply not active. David McKay mentioned earlier that, given where it is at now, we need to target the budget to get the maximum amount from it to deliver all four things that we are talking about—food, climate, biodiversity and people. It is more important now, when the budget is so constrained, that it is targeted properly and goes to active agriculture that is delivering all four of those things and not simply to an area of land.

From a farmer’s perspective, that is where the frustration is. I can see and happily accept the direction of the rural support plan; the frustration is about where we go from 2030 onwards, which Donna Smith highlighted. That work needs to be done and sorted out within the next 18 months or two years, so that we know that we will focus direct support accurately to people who are delivering all four of those objectives.

The Convener: That is useful. I think that we can come back to timescales a bit later.

Professor McCracken: I will try to take the balance of the questions. On Jamie Langan’s question about moving away from secure food supply, we all recognise the importance of tier 1 in that four-tier structure in helping to give farmers some certainty and stability in order to secure the food supply. What we are all arguing in different ways is that other elements of the tier structure should help farmers to adapt to the ongoing climate change, as Martin Kennedy has said, so that they can keep providing food.

In response to Laura Mitchell’s question, Martin Kennedy highlighted the lack of a definition of “active farming” in the rural support plan. I highlight that a lot of elements in the support plan do not have definitions. What is “regenerative agriculture”? What would that mean for supply chains and for reliance on inputs? What would be the overall impact on the food and drink industry? When we talk about “high-quality food”, what does that mean? How would we, as a society, expect

supporting the production of high-quality food to influence consumption levels in Scotland? A lot of definitions are needed. In particular, what are the outcomes that we expect and want from the rural support plan? To some extent, that is what is missing.

I am conscious that I have not said anything in response to the question on the just transition. I do not think that I can say anything about that, so I apologise to Laura Mitchell for that.

Jonnie Hall: I echo what Martin Kennedy and Davy McCracken have said. Laura Mitchell's question about defining "agricultural activity" and "active farmer"—there is a legal definition of that—is critical. If we cast our minds back, we might remember that the definitions of "active farming" and "active farmer" that we currently operate with were a gift from Europe in delegated legislation from 2013, which we transposed into Scots law through the Agriculture (Retained EU Law and Data) (Scotland) Act 2020 in order to provide the continuity that was needed to continue with schemes during what was meant to be a transition period. I am sorry—I am a real anorak when it comes to this stuff.

That is the critical issue, because, while we operate with those legacy definitions, we are struggling to move away from area-based payments that are unlocked by meeting some relatively straightforward baseline standards on cross-compliance. We need to move the pendulum fairly quickly so that what matters is the activity on the land rather than the area of the land. That requires a rethink of the definition of "active farming". We need to pick up that issue with a sense of urgency. As I said, we need to move the pendulum or dial towards what will, inevitably, be payments similar to tier 2 payments. To use a cliché, it is not the cow but the how. It is about how we farm and how we deliver the outcomes that we want, not the fact that someone occupies an area of land of a particular type. We need to move on that with a sense of urgency.

The definition issue sounds easy to crack, but I can tell you that it is absolutely not. We have been trying to crack it for quite some time, and we need to move on it quickly.

Donna Smith: Exactly. It is difficult to define "active farmer", but it comes down to what we want the agricultural and rural support system to deliver. Many crofters would vehemently argue that they are active at the moment, but they are not making any profit—they are just getting by—and that is a huge part of the issue. More important to them is that they are actively looking after the land and perhaps delivering some of the other nature outcomes that we want. When we consider the

"active" definition, we need to get the balance right so that we do not exclude people.

Many people are involved in small-scale local food production, and it is becoming apparent that that is hugely important. We are seeing global uncertainty and everything else, so we need to enable such food production as we go forward and think about how we better support small-scale local supply infrastructure, which has been disappearing at a rate of knots.

There is quite a lot in there. As Martin Kennedy touched on, we must do all of that in a proportionate way. When the whole farm plan was introduced, something like 500 small producers dropped out of the system in the first year. The reality for a lot of people is that they might get a few hundred pounds' worth of support under the current system. For fear of getting the paperwork wrong and all the rest of it, they pay advisers to help them to fill in the forms that they need in order to receive their money. That probably leaves them with only a couple of hundred quid at the end of the day. That does not help them to go on to look at what else they can deliver for nature, climate, food production or whatever else. We must get the balance right and not scare more people out of the system by placing more and more demands on them that may be disproportionate to the size of their business. That is one of our key asks.

I will just throw in the term "common grazings". When we look at how to increase activity, we must have a serious conversation very soon about how to make it work for common grazings. How do we incentivise more activity to take place in common grazings again, for all sorts of reasons, including wildfire risk reduction, active land management and improving sustainability in rural communities? That just keeps getting pushed down the line, but it is a hugely important aspect.

The Convener: I will bring in Dave Reay and then we will move on to another question area.

Professor Reay: I want to build on what Donna Smith just said in response to Laura Mitchell's question on the just transition. The rural support plan mentions the derogation on calving for small producers. That was a retroactive measure. A risk not only for the just transition and the rural support plan that we are discussing today but for agricultural reform more generally is that measures are taken retroactively when people are already stressed or leaving the sector because the just transition lens has not been properly applied to changes. I am really concerned about how that is worded in the rural support plan. A just transition is one of the key outcomes, but, from reading through the theory of how the plan will operate over the next five years, it feels as though the just transition is an add-on. Again, there are risks of

retroactive fixes and, in the meantime, as Donna said, people are leaving the sector.

The approach needs to be much more overt. We must recognise that agriculture in Scotland is a highly diverse sector that is connected to wider rural communities and that the just transition outcome should be fundamental to the reshaping of resources and policy around agriculture and rural development.

The Convener: I see that Davy McCracken wants to come in. Please be very brief.

Professor McCracken: I just want to support Donna Smith and her call for more focus on common grazings. In case members of the committee are unaware, and as Donna did not mention it, common grazings cover anywhere between 9 and 11 per cent of Scotland's agricultural land. Therefore, they are not unimportant spatially, and they are certainly not unimportant socially or from a biodiversity and environmental perspective.

Andrew Baxter (Skye, Lochaber and Badenoch) (LD): We will move on to a topic that we have already discussed obliquely at the beginning: the four-tier framework. The framework commands broad support in principle. We have had a lot of detailed submissions about the different payments in the framework. I want to focus on the submission from Donna Smith and the Scottish Crofting Federation and look at the proposal to give a higher payment to the first 30 hectares, which would be funded through capping payments for larger businesses.

Donna, I would be interested to know your justification for that proposal. I would then like to hear others' opinions on whether that would be a fairer use of tier 1 payments, what the potential consequences for larger agricultural businesses would be and whether there might be any unintended consequences if the Government were to introduce such a measure.

Donna Smith: Currently, 20 per cent of agricultural businesses receive more than 60 per cent of the direct support. That is a huge imbalance. Do not forget that, should we redistribute payments to the first 30 hectares, everybody would receive that support. No money would be taken away from people in relation to that initial payment. By front loading that payment and redistributing funding by capping payments to some of the very large businesses, we would be taking a relatively small proportion of the budget and directing it towards those first 30 hectares. That would mean greater support for our smaller producers, helping them to meet additional input costs and everything else.

We cannot get away from the fact that, the smaller a producer is, the higher their input costs are. That is especially the case in some of the more rural areas. I can give a good example of that. I know a crofter who lives on an island who ordered a water bowser. Because they live on an island, the delivery cost was the same as the cost of the bowser. That is the reality of the input costs for some people.

10:15

Shifting some of the money towards the first 30 hectares—this approach is based on an area payment, which we may or may not have in the future—would allow us to overcome some of the initial hurdles. Other people might want to comment, but we do not think that that would have a massive impact on the really large businesses that would be impacted by the capping. The impact on them would be a drop in the ocean compared with the positive impact that it could have at the smaller end of the scale.

David McKay: Donna Smith has covered the issue very well. Different approaches can be taken. There was modulation under the old CAP whereby money was taken from pillar 1 to pillar 2. The Agriculture and Rural Communities (Scotland) Act 2024 includes powers to cap payments. The most sensible way of doing that is probably by front loading payments for the first 30 hectares.

There is a question about the best use of public money, particularly at a time when finances are constrained. It is legitimate to ask whether giving the bulk of the payments to big producers—Donna mentioned the fact that the top 20 per cent receive 60 per cent of the budget; in many cases, we are talking about very large, asset-rich businesses—is the best use of public money. I think that front loading payments for the first 30 hectares would be a step in the right direction and would provide a bit more equity and fairness in the system.

Jonnie Hall: It might come as a surprise, although I hope that it does not, to hear that NFU Scotland and I have long backed such an approach. All the proposals that we have submitted to the Scottish Government over the past decade or so have included a proposal to use the form of redistribution—front loading or whatever you want to call it—that Donna Smith has outlined. There was an option to do that in the CAP reforms of 2015. Wales did it, but Scotland chose not to do it. As Donna described, it would push money into the smaller businesses, so it would help to overcome some of the disproportionate costs that they face without having too much of an impact on the larger businesses.

We are not talking about capping; it is a different form of redistribution. It would not involve capping

at an arbitrary level whereby, above a certain level of funding, people would not get any more. It is not even a tapered cap. It would apply to all businesses, although, clearly, there would be a break-even point beyond which some businesses would be worse off while others would become better off.

There is a precedent for such an approach—the old beef calf scheme, which ran from 2005 to 2015, did exactly the same thing. For the first 10 calves, producers got double the payment rate that they got for all the additional calves for which they might claim. That scheme worked very well, because it supported the smaller producers and recognised that there are no economies of scale when someone has 10, 15 or 20 suckler cows, because their costs are exactly the same as those for someone with 80, 90 or 100 cows. We have tried to address that through the differentiation between the mainland payment rate for the calf scheme and the island payment rate for the calf scheme, and, as Dave Reay mentioned earlier, we have gone a step further by having a derogation for those who claim for 10 calves or fewer.

There is an established principle of taking such an approach to alleviate some of the cost pressures on those who claim for relatively small areas or who claim relatively small amounts of support. That goes back to Donna's comments about the disproportionate costs of having to do things such as produce a whole farm plan and all the rest of it. We are behind that approach all the way. It needs to be looked at, and it needs to be implemented in a fair and effective way.

The Convener: The NFUS backs front loading but does not back capping.

Jonnie Hall: Absolutely. You have hit the nail right on the head. There is a difference between the two.

The Convener: Do you not need capping in order to fund front loading?

Jonnie Hall: No, because the same approach would apply to everybody. If we front load payments for the first 10, 20 or 30 hectares of all businesses, that will push money into those hectare claims. That money will come from the tail end, so to speak, of the larger businesses, if that makes sense. We are not talking about a cap on any individual business; it is simply the case that a producer's first 30 hectares would qualify for a higher payment rate. Thereafter, it would tail off.

Martin Kennedy: I think that the issue has been covered fairly well already, but perhaps I can give you an example, just to make things very clear.

I have certainly backed front loading in the past; indeed, I have been a strong advocate of it for a long time. A lot of small businesses—not just

crofts, but businesses with perhaps 10 or a dozen cows—need a tractor and loader, a forklift or some other form of machinery to feed cattle in the winter. The same goes for somebody with, say, 150 cows—they will still need a tractor and loader or whatever it might be—but the cost per cow to the person with the five, 10 or a dozen cows is enormous by comparison. The front loading approach gives a leg up to the smaller producer or the crofter who is really struggling and still needs that bit of equipment to do a job that is a lot easier when there are economies of scale. Yes, everybody gets that front-loading payment, and it is a form of capping; however, it is called—rightly—a redistribution of funding, and it gives the people I mentioned a leg up and a chance to compete with their peers.

As for whether this is the right approach for larger businesses, too, we must always remember that those businesses deliver for us on many fronts. To go back to the four-tier framework, I think that, with the conditionality through tier two—which is something that we have always advocated—we have a dial that can be turned up or turned back down, depending on uptake. We must not forget that an awful lot of large arable businesses do deliver. I think that we take it as a given that, just because they get a huge amount of funding, they are not delivering, but if you were to take that funding away from them, they would find it a real challenge to deliver the four things that we are trying to achieve. That adds huge weight to the argument for redistributing and front loading, which ensures that everybody gets that funding.

Finlay Carson: That is all very nice and really interesting, but we did that 10 years ago.

Martin Kennedy: More than that.

Finlay Carson: You are right, Martin. The fact is that we have this five-year plan in front of us and we are still discussing what we think should be in it. Davy McCracken talked about destination and outcomes. It feels a bit like having a satnav: the plan is the satnav and the Government has not actually plugged the destination into it. We find ourselves sitting in the plan, not knowing what is going to happen in five years' time.

Let us not get into the information technology system, either. With this satnav, at every junction we come to it will say, "I'm sorry, but you can't turn left," or, "You can't turn right," because the software is not up to date. There is that to think about, too.

Stability, which we have talked about, is all very well, but there is what Jonnie Hall called "inertia by design". The Government keeps talking about the cliff edge—everybody talks about the cliff edge—but we never want to get to it. Of course, if we just stand still, we will never drive over that cliff edge,

but we are also never going to achieve any of the outcomes that everybody around the table is talking about.

We have this five-year plan in the legislation, but can anybody tell me what the support is going to look like in 2030? What reassurance can we give crofters, land managers and farmers about what the support is going to look like at the end of the plan? My question to everybody is this: what detail is missing from the plan that will give reassurance to farmers that, in 2030, they will be on the right road to delivering it?

The Convener: Could witnesses, in answering that question, perhaps focus on the other tiers that we have not discussed yet this morning—tiers 2, 3 and 4? Finlay Carson has asked an important question, but if you could answer it in relation to tiers 2, 3 and 4, that would be quite useful.

Professor McCracken: Going back to Finlay Carson's analogy, I would not say that it is just in year 5 that we do not know what is going to happen; we do not know what is going to happen in years 2, 3, 4 or 5, particularly with regard to tier 2. The plan is completely opaque on enhanced greening, for example, and without that knowledge, whether it be from a greening or a production perspective, producers, crofters and farmers will be as much in the dark as they were 10 years ago.

Jonnie Hall: The key thing for me—and I agree entirely with Finlay Carson—is that, as things stand, this plan is a repetition of where we are in 2026 for 2027, 2028 and 2029. There is some minor tinkering at the edges—for example, the enhanced greening requirement in 2027 for arable land will go up from 5 per cent to 7 per cent. We might see further tweaks, but there is no fundamental change.

The fundamental point that we need to wrestle with is the building blocks of what tiers 1 and 2 look like. I will come on to tiers 3 and 4, convener. It goes back to the fact that we are still locked into the same payment regions under BPS.

Enhanced greening is our tier 2. We know that we need to do far more than just enhanced greening on arable land or permanent grassland and do more work on what those options might look like. If we are going to have an effective tier 2 that suits all farm and croft types, regardless of size, location or anything else, we must answer some fundamental questions.

We talked earlier about what active farming is and who the active farmer is. We must answer some important questions about things such as ineligible land and what is currently deemed to be non-agricultural land but still has a value, because they are, in essence, habitats. We can see

management of a lot of those currently ineligible features delivering many of the outcomes that we want. What is the role and function of things such as entitlements going forward? As I said to Government officials just last week, there is a checklist of things that we need to work through at a pretty quick pace so that we replace what we have in BPS, greening, less favoured area payments and coupled support with the payment structures of tiers 1 and 2 in order to provide that foundation. If we want to move swiftly into more outcomes, we have to swing that pendulum more from tier 1-type activity to tier 2 stuff.

Ultimately, tier 3 is about how we best target additional funding—I say “additional” deliberately—at outcomes around specific agri-environment objectives such as designated sites, habitats, key species and all the rest of it. It is also about capital funding. There is a real need for capital funding if we are going to drive innovation and the sort of investment that will allow farm businesses to fundamentally change their practices, which will then drive efficiencies.

The tier 4 piece is fundamental—and it has been the neglected element of an awful lot of this—in the sense that farmers and crofters will need help and support to be better informed to make the right decisions on how they manage their land and their enterprises to get the outcomes that we want.

I am being very simplistic about this, but the tier 4 element—the complementary stuff—is critical. You are setting farm businesses up to fail, in some ways, if you do not give them the backing of saying, “By doing X, Y and Z, you’ll change the outcomes to those that the Government and society want. Oh, and by the way, you’ll also improve the bottom line of the business.” There is no contradiction between the two. Driving efficiencies will drive environmental outcomes and business performance outcomes.

David McKay: We talked earlier about tiers 1 and 2 and the fact that we are still stuck with legacy CAP schemes. We are making very minor tweaks to those—for example, greening is very far removed from what was originally envisaged a few years ago, but that is a direct consequence of the decision that was taken to stick with those schemes and to stick with the budgetary split.

Less than 5 per cent of the budget is allocated to the agri-environment climate scheme, which is the closest thing to tier 3 that we currently have. Ten years ago, the budget for the agri-environment climate scheme was more than £50 million; this year, it is £21 million, so we are going backwards. That is the one part of the overall architecture that the research suggests was having a positive impact for the climate and nature objectives that the Scottish Government wants to achieve.

There is a clear imbalance there, and there is a clear case for rebalancing the budget as we have suggested. At the moment, tier 4 is a hotchpotch of many different things. Our view is that it really needs to be the underpinning element of the whole thing, because it is about farm advice, which we know is absolutely crucial if we want behaviour change and practice change. We know the benefits of peer-to-peer learning and of groups of farmers coming together in clusters and learning best practice from one another, but those elements, including the farm advisory service and the knowledge exchange elements, are chronically underfunded at the moment.

10:30

There really needs to be a shift, and a very good example of that is a project that the North Highland Initiative ran recently. The name of that organisation is slightly misleading, because it actually covers north Aberdeenshire and Moray as well as the Highlands. For someone from Banffshire, there is a big distinction between the north Highlands and those areas—I see Laura Mitchell nodding—but there is a serious point here. The project took a group of about 21 farmers, did comprehensive environmental baselining of each of their farms and then provided one-to-one advice, as well as that peer-to-peer element, about what changes they might want to implement on their farms. That might have been about reducing inputs of synthetic nitrogen, putting in a new hedge or getting more diverse species into grassland swards, but the point is that that additional element of advice was required to instil confidence in the farmers to make those changes. We are not doing that at scale, however. That was a small project for 21 farmers and it needs to be replicated across the country.

Professor Reay: When Finlay Carson was talking, I was reminded of “Groundhog Day”, and I think that you, convener, and most of the people in the room probably feel like that about the context of today’s discussion and how long we have been having it.

David McKay made some brilliant points about the tiers, and quite a few contributors have talked about the potential of tier 4. In agriculture, there is a lot of talk about avoiding a cliff edge for the sake of stability, but that cliff edge is coming towards us. If we stand still—as in Finlay Carson’s analogy—it will come and get us in the shape of climate change and our not being competitive with other nations. One of the key ways to avoid that outcome is tier 4 and the capacity building that David McKay talked about.

I will give a personal example. I did not chip in during the 30 hectares debate because my farm is exactly 30 hectares, so I have a vested interest in

such businesses getting more money. However, one of the key things that we have had recently is our biodiversity audit. As David said, that was a real eye opener for us, because it was one-to-one advice about what we could do to improve the biodiversity of different features on the farm. There was a depth of information and discussion about how adaptation could help, particularly around water and some of the wildfire worries that all of us have a bit now. That stuff needs to be fully funded, and, as David described, should not be just a pilot. We are piloting some of the tools for NatureScot, but all farmers and crofters need to have access to that advice. There are risks now, but the actions that we take to increase resilience in the face of climate change need to be taken now for the climate impacts next year, in five years’ time and in 10 years’ time.

I always get frustrated in these sessions and when we are talking about where we need to go in agriculture and rural policy. From what we have heard in the room today and from the online submissions, as a community with all our diverse perspectives, we have real common agreement that policy is not moving where it needs to move and that vulnerability is increasing every day because of that static approach. For me, tier 4 definitely needs a lot more oomph behind it—and quickly—because we cannot wait until 2030 or 2031 for it to get more resource.

Professor McCracken: Going back to tier 2, it is important to highlight that, as well as its being a bit opaque how it will develop over the coming years, all the thinking at the minute seems to be about what people do with regard to enhanced greening on their inby land—the below-the-hill-dyke stuff. As Donna Smith highlighted, the issue is more complicated with regard to common grazings above the hill dyke and hill farms. What additional work we could ask farmers and crofters to do, proportionately, that would not involve a huge amount of other costs for them is a more complex matter. There needs to be much more focus on what enhanced greening would mean for all of our farm types in Scotland, not just for the more intensively managed inby land, which is where the focus seems to be at the minute.

Donna Smith: I will not say too much, because a lot of the issues have been covered. We need to do some thinking beforehand. We must start moving some things before 2030, partly so that we can make changes gradually and partly so that we do not lose many more people out of the system because of uncertainty or whatever else.

Things are moving in the meantime. Obviously, I will take a crofting perspective. The Government funds support for geese management on a year-by-year basis, and it is a huge struggle to go through the process and make a case every year.

In the meantime, in areas such as the machairs of Uist, geese are wiping out the seed banks. Changes are happening right now, so we need to provide longer-term support. If we could see some steps start to be taken, people might have confidence that we are looking to the future and thinking about how things feed in to the overall picture.

Andrew Baxter: I want to follow up with Jonnie Hall on his advocacy for additional funding. Are you asking for that to apply to all four tiers, or should there be a focus on tier 3 or an emphasis on tier 4, which David McKay and Dave Reay are, I think, advocating?

Jonnie Hall: It should probably be a bit of both—that is a nice fudged answer. As Dave Reay said, and as everyone in the room would agree, the agriculture and rural economy budget has gone down, in real terms, significantly and consistently over many years. Its buying power in relation to supporting agricultural businesses and delivering outcomes is diminishing almost day by day, and certainly year by year. The first thing that we need to do is increase the funding for the portfolio, which is currently £670-odd million. I think that David McKay suggested that it should be £900 million, but I would argue that we need £1 billion-plus. We then need to have a proper debate about how we can use that funding effectively to get the best value from it.

As a starting point, I would argue strongly that we cannot continue to increase the agriculture budget—although it has gone down in real terms—and then ignore the tier 1 and tier 2 stuff, because that would just continue the decline in the viability and financial underpinning that farmers and crofters in Scotland require, given much of the landscape and many of the farming systems that they have to deal with. That would also allow additional funding for tier 3 and, in particular, tier 4.

Jamie Langan: Finlay Carson has teed up my question. There are a lot of broad-brush ambitions in the rural support plan that we can all get behind, but they seem to be exactly that—broad ambitions. In my mind, there is a lack of clear and quantifiable key performance indicators to measure success, which would allow us to understand, when we came back in 2030, whether the plan had succeeded or failed. For the range of stakeholders around the table, what would success look like in your area, and how should we measure it?

The Convener: Shall we start with a practising but academic viewpoint on that from Davy McCracken?

Professor McCracken: I certainly agree. As I said earlier, the plan is not clear on the expected outcomes. Unless we are clear on the expected

outcomes, it is very difficult to identify what the KPIs should be. For me, a measure of success in five years' time would be that we still had roughly the same number of farmers and crofters actively managing land in Scotland, that we had been able to monitor and highlight issues and that we were able to justify any increased funding for the agriculture pot that might have been asked for by showing what the measures across all four tiers were delivering.

From a personal perspective, I would want us to have a much better understanding, based on a 2026-27 baseline, of what farming and crofting were delivering for biodiversity and how they were benefitting from it. During that five-year period, there should be clear movement that shows that, although everything has not been solved, we are travelling in the right direction.

With regard to KPIs, I will make the point—I will probably make it later again, but I will make it now, too—that it is a fault of the plan that it seems to consider monitoring of the plan on its own, rather than what monitoring we need to do collectively over the rural support plan, the biodiversity strategy, the forestry strategy, and so on. Wider land-use issues exist, and a suite of relevant KPIs could say something about how those different support packages are working. If we constantly try to think of different KPIs for different siloed policies, we are on a hiding to nothing.

David McKay: I will make a couple of points. First, we have always considered that the rural support plan should be comparable to the CAP strategic plans under the European Union. One of the things that those plans did was set targets and milestones. When the rural support plan sets out all the individual schemes that will come over a five-year period, we could argue that there should be some estimation as to how those different schemes—for example, the suckler beef scheme—will contribute to the stated objectives in the rural support plan around climate mitigation, adaptation, biodiversity and all the rest of it.

There is a second element to the issue. During the passage of the Agriculture and Rural Communities (Scotland) Bill, Scottish Environment LINK, of which the Soil Association is a member, successfully lobbied for the inclusion of an amendment in part 1 that enables the plan to describe how the support provided will

“(ii) reduce harm from pesticides,

(iii) reduce nitrogen loss and waste,

(iv) optimise the proportion of land which is farmed organically,

(v) optimise the proportion of land which is used for agroforestry,

(vi) improve the biodiversity of agricultural land, including

the contribution of agriculture to landscape-scale nature recovery”.

That list is in the 2024 act, but none of those targets are in the rural support plan. It goes back to Finlay Carson’s point that we are all talking about those things and there is a lot of agreement around the table, but a lot of what we are talking about is not in the plan.

Jonnie Hall: I stress that we obviously aspire to outcomes, and we all have a reasonably clear idea of what those outcomes are, but we are limited in how we can assess whether we are delivering them in any way, shape or form. We are very good at measuring outputs, but outputs are not outcomes.

For years, we have measured how much money we have spent on planting however many miles of hedge under various agri-environment schemes. You can go back years and bring out all sorts of metrics on the matter, but that does not tell us a single thing about what that has done for biodiversity; it just gives us some nice crunchy numbers that are good in a press release. We really need to move on from that pretty quickly.

Monitoring and evaluation are important—that is difficult for me to say in many ways, because you could question from a farming point of view whether they are necessary. However, from a farming policy point of view, I think that they are critical, because we must demonstrate what we are delivering not only in order to justify how we spend the existing funding but also to make the case for additional funding.

We know that the industry will have to do more heavy lifting—if I can use that jargon—to deliver the intended outcomes, but if we cannot measure and demonstrate what we are doing, it becomes quite challenging to continually go to the Government and ask that it put more resource in to deliver the outcomes that we want. I agree that we need to be better at measuring what we are currently delivering and what we might deliver in the future and at asking how to maximise the things that we want to achieve.

Martin Kennedy: Following on from that point—Jonnie has covered some of this—how do we know what the targets will be? With KPIs, you have measurements to show what direction you are going in. How do we know what the targets will be if we do not know where we are starting from? The data set that we really need now—and we need to push hard on this—would show exactly where we are.

We have all the things that we are asked to collect, including the soil testing data—which we will all be collecting, because looking after our soils is key to addressing climate issues as well. We have talked about the benefits to biodiversity, and

we were involved in establishing the Breadalbane environmentally sensitive area, which was the very first ESA. We then went on to the rural stewardship scheme, then the rural priorities scheme, and then the agri-environment climate scheme. Where is that data sitting? Nobody has collected it.

We are in danger of assuming that agriculture has not moved on, which is frustrating. We must recognise how much agriculture has moved on and acknowledge the benefits that agriculture is bringing in terms of the four key elements that we are trying to achieve. At the minute, we do not have that information.

I will give you an example of how agriculture has moved on. I am not advocating that nobody should be ploughing, because in many instances a lot of people plough, but the fact is that we have not ploughed for 14 years and have been direct drilling instead. However, we get no recognition whatsoever for that. Direct drilling brings benefits to the farm and to the soil structure, but how are those benefits measured? They are not really measured, as we are not collecting that information. Similarly, there are areas where arable farmers are doing many good things on their land with the ecological focus area approach and enhanced greening, which they will do more of shortly, but data on those things is not collected at the minute.

We need to be able to collect data about what we are doing. How can we measure progress in a few years’ time if we do not know where we started? We must have that data set. NatureScot has developed an app that collects data, but my understanding is that it still does not speak to Scottish Government IT systems. There is no joined-up thinking there, which is frustrating.

By 2028, we will all have to conduct one of these audits as part of the whole farm plan. We have all done our integrated pest management audit, our soil testing and our biodiversity audit, and we have produced our animal health and welfare plan and so on. Therefore, we should not accept the view that agriculture is not moving. It is shifting remarkably, because farmers and crofters are having to adapt, whether we like it or not, to what is happening with the climate. However, if we want to measure progress against key performance indicators, we must have a data set that tells us where we are starting from. At the minute, we do not have that.

The Convener: You would emphasise the importance of whole farm plans being funded under tier 4 in order to get that data.

Martin Kennedy: The whole farm plan is basically tier 1—it is your get-go from the start. You must have that in place or you will not receive any support. That is the thing that is frustrating for the

smaller producers and crofters, because it is too much for them, so they come out of the system, which we do not want them to do. Let us not forget that they still have to do everything properly under cross-compliance in terms of animal health and welfare, what they do with pesticides—not that many crofters use pesticides—and so on. There are legal duties and cross-compliance work that you have to do when you are involved in agriculture of any kind.

The Convener: Okay.

Donna Smith: I agree with everything that has been said. We need to know where we are starting from. A bit of feedback that we constantly get is that people feel that there are a lot of folk out there who are doing a lot of really good stuff but are getting no recognition for it. There is always an assumption that everyone needs to change, but it might be that not everybody needs to change. That needs to be understood. However, as Martin Kennedy said, the data is not captured anywhere.

What does success look like? It absolutely involves us not losing more people from the system because they fear change or feel that the requirements are disproportionate. From a crofting perspective, success would involve there being more active use of the common grazings, but that would require a fair bit of thinking about how we would incentivise that. Also, how do we make things like whatever the future version of the EACS is more accessible to more people? At the minute, the way that that system runs means that a lot of smaller producers cannot qualify for the scheme, much as they would love to be doing stuff, or they are not being recognised for the stuff that they are doing. Success would be people being able to access the support that they need in order to deliver the right outcomes, more activity taking place and people not bailing out of the system because they are just too worried.

The Convener: Jamie Langan, do you want to come back on anything that you have heard?

Jamie Langan: The point that Martin Kennedy made about needing a baseline was very interesting. I completely agree that, if we do not understand where we are starting from, it is impossible to measure what successful development is. I think that that leads to the frustration of a lot of ambitions. I agree with a lot of the ambitions, but how do we quantify them? How do we know where we are going from and to? It would be useful for the committee to take forward some work on that.

The Convener: Laura Mitchell will lead us into a new question area.

Laura Mitchell: Many of the written submissions that we have received talk a lot about

the pace of change and the timescales involved. Quite a few of them point to the fact that England and other parts of the United Kingdom have gone at a faster pace—England has done well with the sustainable farming incentive, for example. I am interested to hear people's views on the contrast between the approaches in Scotland and those elsewhere in the UK and on whether there are lessons that we can learn here from countries that have gone faster.

Professor McCracken: I will say two contradictory things. What we can learn from England is that the pace of change there has been far too fast, because it has not been possible to put in place sufficient environment-focused schemes that are relevant to the full range of farming systems in England, which are the same as we have here. In particular, the upland and common grazing systems in England are suffering because of that, as their direct payment has changed.

I suggest that the contrast is that we are still not moving fast enough in Scotland. I am not suggesting that, tomorrow, we move a greater proportion from tier 1 into tier 2, but, as somebody said earlier—maybe it was in the discussion that we had before the meeting—it seems that a cliff edge will appear in 2030-31, when suddenly things will switch. What is the rationale and reason for that? What is the outcome that is expected from it?

It does not seem impossible to me to have a bit more staggered change within the five-year period, with more major change happening by 2028, possibly between tier 1 and tier 2, once we are clear on what we want from tier 2. To go back to the earlier discussion about the message to the industry, that would also send a message on what the direction of travel is.

Donna Smith: It is clear that we are all a bit frustrated by there being no change at all. It is right that we do not want to replicate what has happened in England, but we need to find a way of moving forward. There are things that we can look at in the next four years. We need to consider what we can trial and test along the way, so that we start to build ideas about how the system might look and communicate those to people. The cliff edge will always be a cliff edge if nothing moves in between, so we somehow have to make gradual changes between now and 2030 and then use those to inform possible bigger changes after that. Let us look at how we can trial things in the meantime or gradually shift the budget.

We struggle to understand why there is no shift in the budget distribution between now and then. Surely we can look to move some more of it. I appreciate that there are other constraints, such as IT systems—I say, looking at Finlay Carson—but surely there is something that we can shift a little,

to prove concepts and to start to give people a feel for some of the things that might come down the line.

Professor Reay: I have already voiced my frustration about the pace. The vulnerability issue concerns me, and that is not just about climate vulnerability increasing. I am thinking about the state of our public finances and the comparison to other nations, such as our neighbours down south, on our climate targets. Obviously, we have the target of net zero by 2045, and we have a climate change plan that, for agriculture and land use, sets out a much lower speed of reductions than that for other sectors such as transport. My concern is that, given that we obviously need to mitigate and adapt to climate change urgently as a nation and globally, when folk come knocking and say, “We need to cut budget and deliver more emissions cuts,” our sector will be in a vulnerable position. The rural support plan is about stability, but it leaves us open to more vulnerability if, by 2030, when climate impacts are more severe—I hope that public finances will be better by then, but who knows?—we stand out like a sore thumb to whoever is running the Government or Parliament, and internationally. That is a concern for me.

Jonnie Hall: There is no doubt that Scotland has rightly taken a different pathway at a very different pace from England. I try to avoid drawing comparisons between the two but, inevitably, I always do. The evidence is clear that England is going down a route of basically dismantling direct support payments. In 2026-27, where we are now, direct support payments for English farmers are effectively zero—the payment is £600, no matter where you are. Not so long ago, I was talking to a farmer from Northumberland. They used to get a £75,000 basic payment; this year, they are getting £600. If you are successful enough to get into the SFI—only 50 per cent of agricultural businesses in England have done so—that might be a way forward. However, there is no obligation to deliver agricultural outcomes, only an obligation to deliver environmental outcomes, if you go down that route.

Another fundamental point relates to what my colleagues in the National Farmers Union are seeing. Particularly in more productive land—where, if farmers do not have the direct support payment, they have to make each enterprise wash its face financially—they are seeing, in some situations, the perverse impact of farmers farming harder and farming to the edge start to happen. In order to make it work as a business, farmers are having to drive it that much harder. To use the old cliché, which I have used for years and years, you cannot be green when you are in the red. They have to get out of the red and therefore they cannot afford to do those other things, from a

financial point of view. I totally accept that, in the longer term, that is maybe not the answer.

Interestingly enough, the rural payments agency—which is the Department for Environment, Food and Rural Affairs’s equivalent to the rural payments and inspections division—has now lost a lot of the levers that it had in relation to meeting minimum standards, because of the loss of direct support payments. If you do not have that condition attached to direct support payments, which we can have in Scotland, you get serious drop-out and an awful lot of land being farmed simply from a business perspective, rather than from a business and environment perspective. That is the one lesson that I would learn straight away.

I will make a final point. It is absolutely right that we have devolved capacity to do things differently in Scotland, because our agriculture profile is so different from that of England, if not the rest of the UK. The profile of Scottish agriculture is predominantly extensive, grass-based livestock systems. Eighty-five per cent of our land is less favoured areas. In England, that is flipped over: only 15 per cent of land there was declared less favoured areas. We have gone in perpendicular directions, and for good reason.

I take on board everybody’s points. We have to ensure that the direction that we have taken starts to deliver the outcomes that we require. Fundamentally, in my head, that has to justify the ongoing direct support and other support commitments that the Scottish Government continues to make.

Professor McCracken: I will follow on from what Jonnie Hall said. Irrespective of whether we achieve the 49:51 split in funding by 2030, or at some point before then, the premise of the rural support plan as it is currently written—that 50 per cent of funding going into tiers 2, 3 and 4 will benefit the environment, nature and the climate emergency—is fundamentally wrong unless we know what the outcomes are and can measure them.

I am definitely not advocating, purely on the basis of process, that we move the money. The money has to be doing something active and beneficial, and we need to be able to monitor and justify it, as has been said. I am sorry: that is my frustration starting to come out, an hour and a bit into this.

The Convener: As there are no further comments on that area, we will move to the next questions.

Emma Roddick: I have a few questions around engagement on the plan. However, I want to first ask Martin Kennedy whether the agriculture reform

implementation oversight board still exists, because the committee does not know.

Martin Kennedy: No.

Emma Roddick: No. Okay.

Are you expecting to be on LAND?

Martin Kennedy: Sorry?

Emma Roddick: LAND—the new acronym.

Martin Kennedy: I have no idea. I have not been asked. I know what the new acronym is, but I have not been asked.

Emma Roddick: How confident do you feel about future engagement and your role in that?

Martin Kennedy: One of the biggest concerns has been communication. Do you mean specifically from my own perspective?

Emma Roddick: Yes, but also from the perspective of those who have been involved in ARIOB with you.

Martin Kennedy: I will be honest and say that I think that it worked really well. My frustration, which is similar to some of the frustrations that have been highlighted by people around the room, is about how we are going to move forward from 2030. One of the biggest frustrations is about how long we have been talking about this sort of change. Finlay Carson said that we have been talking about it for about 10 years, but, in fact, we can go back a lot further than that, to when we first talked about how we could focus on active agriculture. Until we get a system that looks at changing how the regions work and how we can focus on activity, that blockage will still be there. That is the first fundamental building block.

11:00

Would I want to be involved in whatever it is that is going to happen? I probably would, because I never turn down a challenge. I always represent the people on the ground who are 100 per cent reliant on income from agriculture. That involves looking at things from a purely business point of view. Quite often, decisions are made by people who might not be aware of something. Someone mentioned unintended consequences, and we have heard from Jonnie Hall about the unintended consequences of what is happening south of the border. That is scary, because people will turn round and say, “If we’re not going to get the support to do this, we’ll do our own thing. If there are no levers, such as conditionality, to make us do things, we’ll look at this wholly from a business point of view.”

At home, we are going into agritourism to try to help the business. Why should we do that?

Diversification into agritourism is always pushed. People always says that, as a business, agriculture should be diversifying. What other business has to diversify to augment its own core business just to stay afloat? I think that that is horrendous, to be perfectly honest. We produce something that none of us around the table can survive without, yet many of us have had to diversify to keep the business afloat. That is a shocking statistic. That goes back to the mention that was made of the good food nation. Of the countries in Europe, we spend the least on food, as a proportion of our disposable income, by a considerable amount. Of countries around the world, our spending on food is the third lowest, behind the United States and Singapore. I think that those are the only two countries where spending on food is lower than it is here. That is a massive source of frustration for all of us who produce goods for our consumers to a significantly higher standard than most countries around the world.

If I were asked to be involved in the new group, I would take that on, because I think that it is important that the people who make the decisions understand what it is like on the ground. As producers, we are often shot down for what we are not doing, but we do not get any recognition for what we are doing. I am sorry, but, without us, everyone would struggle.

Dave Reay highlighted the fact that climate change is affecting everyone. The impact of climate change is going to increase. We will not be able to stop it, but we need to address it and adapt to it. The industry will adapt to it, but we need Government support as well.

The Convener: I say for the benefit of folks who are watching this morning’s proceedings that, last night, the committee got a letter from the Minister for Agriculture, Marine and the Islands, Jim Fairlie, that indicated that ministers have established a land, agriculture and nature delivery group, which is due to hold its first meeting on 1 October. That is part of the context for what Emma Roddick was referring to.

Emma Roddick: Martin Kennedy’s comments were really helpful. I would be interested in hearing from others about the engagement that has taken place so far on the plan. It feels odd to ask this, given the comments that have been made about how long we have been having this conversation, but are there any specific aspects that people feel have not been fully engaged on or engaged on at all?

David McKay: There is possibly a distinction to be made between consultation and stakeholder engagement. There have been a lot of consultations over the past 10 years. There have

been numerous consultations on different elements of agricultural support and on the Agriculture and Rural Communities (Scotland) Bill, but, over the years, the Government has perhaps struggled with more active stakeholder engagement. There have been various iterations of different groups.

I was not on ARIOB, so I will defer to Martin Kennedy on how that went, but I know that there were some organisations that were not involved in ARIOB that were unhappy that they did not have any input into it. I am also aware that, towards the end of that process, a number of groups, such as Scottish Environment LINK and Stop Climate Chaos Scotland, publicly withdrew from the process because they were unhappy about how it had gone and the decisions that had been taken. We have had an invitation to join the LAND group, but my understanding of that is that it is not a replacement for ARIOB, although I could be wrong about that.

We need a bit more clarity on what these groups are for—what their purpose is—and how they link with other groups. I know that Jonnie Hall sits on the policy development group, which is quite small. There is a need to be clear about all of that, and inevitably there are lots of organisations that will not be part of this new group and might well be unhappy that they are not involved.

If there is to be a new approach to stakeholder engagement, I can highlight other examples out there of how that might be done. You might bring in organisations with competing views, say, and try to get those people around a table in a constructive manner. For example, there was the European Union strategic dialogue and agriculture process, which seemed to be successful. Closer to home, we had the common ground working group on deer. I was not on that group myself, but I know from those who were that it seemed to be an effective process. Such models could be adopted, but, going back to Martin Kennedy's point about communication, I think that there needs to be much more clarity about what these groups are for and what their objectives are.

Donna Smith: Engagement is a tricky subject. I have been in this role with the SCF for three years now, and it feels like, for all of those three years, we have been on a constant treadmill of consultations and sessions. This is my personal feeling, but we are a small organisation, we spend a lot of time contributing to these things, and sometimes what we get back is very last minute. The rural support plan is a good example of that. We all fed into the discussions along the way, but, at the end, we got something fairly last minute, and we had a very short space of time in which to comment on it. Was it enough? Probably not.

As for how some of the other groups act, I should say that I sit on the policy development group with Jonnie Hall, Martin Kennedy and others. There are a few of us around the table, but I know that some have left the group in frustration over a lack of progress. When it comes to the information that we get, it all feels a bit lastminute.com and we are not able to comment properly on it. If we really want to move some of this forward, we must have a better understanding of how all the groups interact with each other and ensure that we are not working in silos. We must also ensure, as stakeholders, that we are given information in enough time for us to consider it properly before we have to attend a meeting and give feedback or whatever.

Perhaps that is just a personal frustration arising from our limited resources. However, the fact is that, if we want to do something meaningful, plenty of notice is good.

Professor McCracken: I was not a member of ARIOB, but I, with Dave Reay, was a member of the academic advisory panel that was initially set up to advise the—*[Interruption.]* I am sorry—I will have to look at my notes. It was set up to advise the farming, food production and future policy group that preceded ARIOB.

Some of the elements that we have talked about today—the monitoring, the metrics, the architecture, what could be in tier 2 and so on—were discussed over the past four years by the academic advisory panel, and we fed our thoughts and suggestions in. Part of my frustration, as you might have gathered through the morning, is with the limitations of the rural support plan and the fact that some of the things that we highlighted have not come through in it. Certainly, I do not think the academic advisory panel ever saw even a draft of the plan. I could be wrong about that, but I am sure that I would have remembered it, because I would have made some of the comments that we have been making today about it.

The Convener: Dave Reay, do you have anything to add to that from an academic perspective?

Professor Reay: I left the academic advisory panel over a year ago, I think, but I certainly did not see anything to do with the rural support plan. Perhaps it was not ready by then.

When it comes to the scrutiny of these things and their interconnectedness with, say, the climate change plan, rural development and so on, people do need time to do that work, as Donna Smith has said, but there must also be good connection across the stakeholders. Speaking as a member of the newly formed third just transition commission, I have to say that we never got sight of this in the previous parliamentary session.

Steven Thomson, who is one of our commissioners, has provided some great evidence in his written submission to the committee. We, as a commission, would really like to have seen what was being proposed and provided input on the just transition elements of the plan. The Government talks about the interconnected role of agriculture and rural affairs across other policy areas, and the cabinet secretary's portfolio now covers both climate action and rural affairs, for instance. Given that, the Government should come to stakeholders with that systems view and give us time to respond.

Jonnie Hall: Rather than declare an interest, as Emma Roddick was asked to do earlier, I will, in a way, declare my age by saying that I can go back to the 1990s, when I first moved up here and started working on rural and agriculture policy. That was pre-devolution, which meant working with the old Scottish Office and all the rest of it. If we fast-forward to the era of the Scottish Parliament and the Scottish Government, Donna Smith is absolutely right to say that we have had a never-ending number of consultations and stakeholder groups. However, I have always thought that that has been of huge benefit and advantage. Having direct dialogue with Scottish Government officials and parliamentarians over the past 20-odd years has been an advantage for the interests of rural Scotland, environmental groups and agriculture, and I would not have swapped that for anything.

Now let us fast-forward to the rural support plan. I will probably disagree with the other witnesses, as I found the process with the Scottish Government to be really open right from the off. There were lots of conversations about, for example, what the intention was behind the rural support plan and its content. We had early sight of the plan. At ARIOB's meeting in Dundee last November, a draft was available for discussion; it was on the agenda and was discussed.

In many ways, there has been no closing of ranks around the development of the plan—quite the opposite. That was certainly my experience, anyway.

Emma Roddick: I have two more questions, convener, but I am aware of the time, so I will direct this one to Martin Kennedy only.

The LAND group has been described to us as having been drawn together to help the Scottish Government and stakeholders to better understand our complex land system. That does not sound to me as though it is the same as ARIOB. Do you have any anxieties or fears about what might be missing if there is no more ARIOB? What gaps will need to be filled?

Martin Kennedy: It must be made clear—I hope that everybody understands this—that ARIOB was set up to put views forward from the wider stakeholders. Ultimately, the Scottish Government makes the decisions on everything. I wanted that to be absolutely clear.

Without my knowing who is on that group, it is difficult to answer your question. It would be good to know who is on it and whether agricultural interests are represented. If membership has been announced recently, it would be good to know who sits on the group.

It is vital that communication with the wider industry is open. On communication, I want to note the role of the agriculture and rural development stakeholder group. I do not know whether it is still up and running, but I think that its failure to communicate, involve everybody and hold meetings resulted in other groups being set up.

Communication with the wider industry is crucial. Bodies such as NFU Scotland have to communicate a great deal of what is going on and what is happening. That should not be left to NFUS and other bodies such as Scottish Land & Estates and RSPB Scotland, but the reality is that it is. Communication with the wider industry could be improved.

It would be good to know the direction of the group. If it is intended to communicate with wider stakeholders, that is fine. Will it be involved in policy development? As Jonnie mentioned, there is an expanded policy development group, on which I sit, and that works fairly well. It includes representation from the Nature Friendly Farming Network, farmers and advisory groups, which is important.

If the new group is for communication, that is fine, as I said. However, let me put it this way: I do not see it working like ARIOB, given what you just highlighted.

11:15

Emma Roddick: My final question is for those who saw an early draft of the plan and fed into it. Based on what you fed back, are you able to identify what has changed in the current draft?

The Convener: I would like very quick comments on that, please, from those who want to answer.

Jonnie Hall: Not from memory, no. There are a lot of things that I would have to read, but I could look back.

Emma Roddick: That would be helpful, aye.

Jonnie Hall: I definitely saw earlier iterations.

The Convener: As there are no further comments from witnesses on that, we will move on to Andrew Baxter's questions.

Andrew Baxter: I will go back to funding again, which we have obviously touched on several times. Should this committee focus less on which tier receives the money and more on who will ultimately benefit from the funding?

Jonnie Hall: I genuinely do not want us to get drawn into a debate or an argument of any sort about whether the funding should be in tier 1, 2, 3 or 4, or who should be the beneficiaries—I think that you used the word “beneficiaries”. Ultimately, this is about channelling money through farming and crofting businesses to deliver outcomes that we can all be beneficiaries of. That is the point. This is not about farmers or crofters pocketing money and then saying, “Well, that’s great, but I’ll just carry on doing what I always did,” with the “aye been” attitude of, “This is my entitlement; I’ll just do what I always did.” Far from it.

We must ensure that, going forward, the money is channelled through active farming and crofting, as we have discussed enough times already today. How we do that is still to be unpacked and nailed down properly so that it works. However, in a sense, active farming and crofting are a conduit for delivering the outcomes. We should consider the beneficiaries to be all of us in terms of the outcomes that we achieve. I do not want us to be thinking of it as large landowner X, large tenant farmer Y or crofter Z getting certain amounts of money. You can look at those statistics somewhere, but you must then ask yourself whether those agricultural businesses or land management units are delivering the outcomes that we want. That is the debate that we need to have about tier 1, tier 2 and so on, and that will help to determine—quite rightly—where we best place the funding.

Professor Reay: I completely agree with Jonnie Hall. The answer to the question about what the committee focuses on and the lens that it uses should be the outcomes. This is significant public spend, so the outcomes need to deliver for the whole of Scotland and not just for us in the sector. A well-supported, resilient agriculture sector is great for Scotland. It is really important for us, not just for food security in a changing world, but because, as has been said, our rural communities around the country rely on the agriculture sector so much. Looking at it through the lens of outcomes for the people of Scotland is where it needs to start and end.

Donna Smith: This is not about us spending lots of time at committee talking about the different tiers, but there are some general principles. We must support our smaller producers better,

distribute the budget better and more fairly and make sure that whatever support is there under all the tiers is accessible to everybody in a proportionate way.

However, we really need to look at the outcomes, and there is no real clarity in the plan yet about how new agricultural support will incentivise measures towards on-farm climate adaptation and things like that. That is the more important part of this. Of course, we must deliver food for the country while we are doing that—as Martin said earlier, that is the fundamental point. We must ensure that, however it is done across tiers 1 to 4, what is there allows us to continue to deliver food in a world that is growing stranger, for all sorts of reasons. That is the most important thing.

Professor McCracken: My microphone is not coming on, but I will just speak loudly enough.

The Convener: You are on now.

Professor McCracken: Sorry—I did not see that at my end. I was going to say what Jonnie Hall said. I agree that it is all about outcomes. However, going back to the original tenor of your question—this is a bit like what Donna Smith just said—we need to focus on where the outcomes are being delivered. Are those outcomes being recognised and rewarded fairly? If not, where does there need to be some redistribution of the funding, wherever the funding sits?

The Convener: I am interested in whether you have any recommendations for the Scottish Government in relation to the forthcoming budget. We are talking about the rural support plan over multiple years, but I am interested in whether there are any immediate funding changes or asks that the committee should consider as part of our budget scrutiny.

Jonnie Hall: In the past week or so, we drafted our first go at a submission to the Scottish Government ahead of the budget. It is in the early stages, but it probably picks up on where Professor Reay was around two hours ago in that, fundamentally, we need an increase in the overall funding package, and then we need to think carefully about how best we allocate that across the different tiers to get the outcomes that we want. There are other bits and pieces in there, but that is the fundamental argument, and I have put some justification in there. I will be more than happy to share that submission with the committee when we submit it to the Scottish Government.

The Convener: You got in early.

Jonnie Hall: You gotta get in early.

David McKay: As I said earlier, there is a very strong case to be made for the overall budget

being larger. Notwithstanding everything that we have said today about the tiers and the need to develop, some things could be happening right now. One of those relates to applying farm advice to the whole farm plan, which I mentioned earlier. That could be done by replicating the pilot in the north Highlands, which could be quite easily done at a larger scale.

We have not talked today about the need to integrate more trees on farms, which is something that the Scottish Government has accepted it wants to do. Uptake is still very low. The Soil Association recently worked on a report with the Woodland Trust in which we mapped out six different payment options for low-density agroforestry. If those were applied on a relatively small amount of agricultural land, it would cost around £10 million to double the area that is currently under agroforestry and farm woodland in Scotland. That would bring significant benefits in terms of environmental outcomes and the changing climate, which is crucial given what we have been talking about today, what we are already experiencing and what we are going to experience in 10 to 20 years' time. In 20 years' time, we are projected to get the temperatures that were experienced in England this summer.

Trees take time to establish—10 to 20 years—so, particularly for livestock farmers, of whom we have many in Scotland, it would be a good idea for the Government to incentivise the planting of trees and to push trees on farms to provide shade and shelter for livestock, which would help with productivity and animal health and welfare. That would be a big ask for us.

The Convener: If other organisations would like to contact or write to the committee on that issue, that would be useful. That leads us nicely to our final area of questioning.

Dawn Black (Angus North and Mearns) (SNP): You teed up my question really well. We have touched on this issue through the various responses so far, not least what David McKay just said. Thinking about the long-term aims and delivery around climate change mitigation, adaptation and nature recovery, I am interested in hearing what you think about the balance between vital food production, which we have talked about, and biodiversity and climate considerations, and how that is dealt with in the plan. What are people doing already? We have already mentioned that some things are happening but are not necessarily being recognised. What is still to be done? Is there a limitation on what people could be doing right now, as we move towards what has been called the cliff edge? We do not have to wait to be told to do it. People could be getting on with it right now, under their own initiative.

Professor Reay: To take the last part of the question first, a lot can be done and is being done already, but a key issue is getting good data and advice. We have talked about the importance of tier 4 as an enabler for all the other tiers, including things such as the whole farm plan. If someone is sitting on their land right now and has just heard David McKay's suggestion about agroforestry and the benefits for resilience, they might think, "Oh, we need that," but then they might think, "We've had a summer of wildfires, so will that increase my wildfire risk?"

One of the key things is people getting good advice, so that they know that what they are going to do will give them resilience and will not mean that they fall foul of rules around direct payments or other schemes. That is where we have a gap. It is about the knowledge that what people do today is right for their farm or croft but also in terms of regulation and a changing climate. That is a key point.

Another point is about the read-across from the rural support plan to the climate change plan. There is so much woolly language about monitoring, evaluation and the read-across there. There is talk of a kind of prioritisation tool for deciding what is prioritised if the metrics are not delivering as they should. However, there is no clarity on what the response will be if we have a big shortfall in emissions performance for mitigation in agriculture. Is there some kind of intervention mechanism from Government? Alternatively, if we are failing on climate change plan delivery across Scotland, what are the plan Bs and how does agricultural support fit into that? As I said, will the Government come back and say, "Actually, you need to do a lot more in agriculture than we thought on emissions reductions"?

For me, that is still a gap. As part of that, one of the fundamental issues is to do with adaptation. That is mentioned in the rural support plan, but, as some responders to the commission have pointed out in written submissions, although figure 2 in the plan is supposed to show the cross-cutting themes across the tiers and was probably drafted with a particular set of cross-cutting areas in the mind of whoever put it together, adaptation in terms of resilience needs to be front and centre in that. That issue affects all the tiers and their delivery and success, and it affects all our farms and crofts. In my view, the plan is pretty gappy in terms of that read-across to climate and nature action.

The Convener: Is the rural support plan compliant with the provisions in climate legislation in relation to duties on public bodies? We have had evidence that calls into question whether there really is mainstreaming of adaptation and mitigation in the heart of the plan.

Professor Reay: There is a really good question about mainstreaming and what you would expect to see. Putting my climate scientist hat on, if I look at any other sector and then at the agriculture mitigation and adaptation actions, and if I then look at the climate change plan and the sector's role in that, I would have a lot of uncertainty, particularly about how you will measure progress and what you are going to do if you do not make the necessary progress, whether on adaptation or on mitigation.

Whether the support plan is compliant or not, I could not say. For me, it does not comply with what I, as a climate geek, want to see.

Jonnie Hall: I will try to answer Dawn Black's question about long-term planning. This is stating the obvious, but agriculture, farming and crofting are not short term. They very much plan on long-term timeframes, whether for crop rotations, breeding programmes or whatever. More importantly and fundamentally, they are intergenerational and involve families. They go beyond annual cycles and political five-year cycles, and they certainly go beyond five-year rural support plans.

The plea that I would make in all of this is that we end up with a framework that gives individual farmers and crofters certainty in which they can operate. The framework would set out what is expected of them and what they have to do to unlock payments to deliver outcomes and that linkage, and it could then feed into their day-to-day management, year-to-year planning and intergenerational planning as well.

11:30

I will pick up on Dave Reay's point—which is absolutely right—that the plan cannot be too set, because we need to be fleet of foot and flexible and adaptable as and when things change. Dave used an expression—it was not quite “retrofit”—in relation to the fact that we do not want to end up in a situation where we are forever tinkering with policy and therefore giving mixed messages because we are trying to resolve an issue that has suddenly hit us square in the face, whether that is a disease outbreak or flooding and water resource management issues. We need to plan better for those things, so that we can adapt and adjust as we approach them or as they approach us. That would be my plea—that we go beyond the five years in order to give that certainty and confidence, as well as that flexibility, so that farmers and crofters are not just in a system whereby, in order to unlock their support payments, they must keep on doing the same thing. We have been doing that for decades and we still have the same old situation. That is the

inertia piece that we are really struggling to break out of at a farm level.

Professor McCracken: I will reiterate what Dave Reay and Jonnie Hall just said. I made a written submission, but, as far as climate change is concerned, my note for this morning was that, in the plan, there is maybe some “ish” stuff on mitigation but there is very little on adaptation. It is mentioned, but there is very little about how you would actually achieve it. There is even very little recognition of the need to achieve it. Dave Reay was very polite in his reply to the question about the figure where the linkage between the different policy frameworks is highlighted. That is very superficial and pays lip service to the issue, but, more importantly, stepping back, it does not recognise it.

We have had a lot of talk about agricultural support today, but, from what I can see, the rural support plan has still been written largely with agriculture as a silo that is trying to go forward in its own right. It does not recognise that strategies on forestry, biodiversity and land use have a role to play that would benefit agriculture and farmers and crofters in Scotland. That is my frustration.

The Convener: I hear you.

Martin Kennedy: I, too, have some frustrations. David McKay mentioned agroforestry, which I think is brilliant and a great way forward. Highland Perthshire is known as big tree country, and we have a lot of trees, which is brilliant, but more can still be done. We must always bear in mind the issues around tenanted land. It is sometimes a challenge for tenants to get involved in that work to the extent that they would like to.

The other point is the frustration around biodiversity. With regard to what is happening with the state of nature, quite often—as we have heard—species management has a massive impact on what is already happening on farms. For years, we have been seriously proud of what we have when it comes to biodiversity on the farm, particularly around lapwings—we have a field that is known as “peasies field”. However, we are seeing a massive decline. We have not changed the management—we have consistently kept the management on farm—but we are now seeing badgers in daylight, so it is very difficult to keep ground-nesting birds on the ground.

A frustration from my point of view is that agriculture often gets tarred with the stick of being the reason and the cause behind such declines, but, all too often, species management has an impact on what is happening on the ground as well. Coming from a Tayside area, we see the damage that has been done by beavers in waterways and riverways, and we have had issues with sea eagles for a long time. Species

management is something that we have to bear in mind across Scotland for various reasons.

There is huge frustration within the industry that we are asked to do more to help with biodiversity—we absolutely want to do that and we are proud of what we have done—but our hands are often tied behind our backs because we are limited in what we can do and it is not actually agriculture that is causing the problem. We must have that balance. Management is really important, but sometimes it is a real challenge when things are fighting against us that we can do nothing about.

David McKay: A lot of what I was going to say has already been covered by Dave Reay and Davy McCracken. Part of the original question was about the limitations of the current structure, if I heard it correctly. We have had a lot of discussion about the budget allocation at the moment, but with something like the agri-environment climate scheme—I mentioned earlier that its budget is less than half of what it was 10 years ago—a lot of the elements are oversubscribed. Going back to what Martin Kennedy said, if people want to plant a hedge, for example, the hedgerow option is generally oversubscribed. That presents limitations. We do not have time to get into the detail of the other challenges to the delivery of agri-environment schemes, but there are lots of concerns about them at the moment. We are limiting ambition in some regards with the way in which the current budget is structured, because we are not moving quickly enough.

One thing that surprises me is that, although we have a nature restoration fund, which is great, it sits outwith agriculture, despite the fact that agriculture represents about 70 per cent of land use. That continues to emphasise the false idea that nature restoration is somehow separate from agriculture. We can and should be doing both at the same time, so there needs to be a bit of thought about how those payments can better be meshed with existing agricultural support. Very often, that money needs to go to the farmers and crofters who are going to make the changes on the land.

The Convener: Sadly, we are over our time, so I will give the last word on this question to Donna Smith.

Donna Smith: I will be really quick.

The Convener: You do not have to summarise the whole two hours.

Donna Smith: A lot has been said, so I will put in a final plea for two things. We have developed a code of practice for sustainable and regenerative agriculture, but there is no real clear picture about how we will use that to assist with adaptation and change, which goes back to what Dave Reay was

talking about. We have lots of different things, but we are still not knitting them all together in a clear way that will help everybody to adapt and move forward.

What Mark Kennedy said about species management is important. It is also about understanding how different areas are impacted differently, and maybe we need to think about how we adjust some of that to move forward.

That was really quick.

The Convener: Thanks, Donna—that is a great way to end.

I thank all our witnesses for attending this morning. There is certainly lots for the committee to mull over from our first meeting back after the summer recess.

11:37

Meeting continued in private until 12:13.

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