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Rural AffairsCommittee

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Wednesday 16 September 2026

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Session 7

Wednesday 16 September 2026

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RURAL AFFAIRS COMMITTEE
4th 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:

Dr Vera Eory (Scotland's Rural College)
Michael Halliday (Scottish Tenant Farmers Association)
Artemis Pana (Scottish Rural Action)
Pete Ritchie (Nourish Scotland)
Dr Mike Robinson (Royal Scottish Geographical Society)
Kate Rowell (Quality Meat Scotland)
Professor Steven Thomson (Scotland's Rural College)

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Rural Affairs Committee

Wednesday 16 September 2026

[The Convener opened the meeting at 09:19]

Decision on Taking Business in Private

The Convener (Mark Ruskell): Good morning, and welcome to the fourth meeting of the Rural Affairs Committee in session 7. Before we begin, please ensure that all electronic devices are switched to silent.

Our first item of business this morning is a decision on taking in private item 3, which is consideration of the evidence that we will hear from our witnesses this morning on the rural support plan. Do we agree to take item 3 in private?

Members *indicated agreement*.

Rural Support Plan

09:19

The Convener: Agenda item 2 is a round-table evidence session on the rural support plan with a number of witnesses. We have scheduled two and a half hours for this discussion.

We have had some really great discussions over the past two weeks, covering a wide range of issues related to the plan. This week, we will take a short comfort break halfway. To keep us on time, I would be grateful if questions and answers could be as concise as possible.

I will begin by briefly introducing the witnesses before moving to questions from members. As this is a round-table session, members may direct questions to a specific witness or group of witnesses. Equally, if any witness wishes to respond to a question, they can indicate that by raising their hand and I will bring them in at an appropriate point. As those of you who have taken part in a round-table discussion know, the aim of the exercise is to encourage an open and constructive exchange of views while ensuring that members and witnesses all have an opportunity to contribute.

I would like to welcome to the meeting Dr Vera Eory, reader in sustainable agriculture at Scotland's Rural College; Michael Halliday, managing director of the Scottish Tenant Farmers Association; Artemis Pana, national co-ordinator for Scottish Rural Action, who joins us remotely; Pete Ritchie, director of Nourish Scotland; Kate Rowell, from Quality Meat Scotland; and Professor Steven Thomson, professor of agricultural economics and policy at Scotland's Rural College. We hope to be joined later by Dr Mike Robinson, chief executive of the Royal Scottish Geographical Society.

I should note that committee member Emma Roddick joins us online as well.

Finally, I remind everyone that you do not need to operate your microphone. Broadcasting will activate your microphone for you.

I will ask the first question, which is meant to open the discussion by getting quick responses from our witnesses about how they view the rural support plan.

Steven Thomson, in your written submission, you said that

"stability must not become stagnation."

I am interested in your view on that. Do you think that this rural support plan strikes the right balance between change and stability?

Professor Steven Thomson (Scotland's Rural College): The issue of stability is quite an interesting one. From the perspective of farmers, crofters and land managers, stability is a useful thing because it allows you to make plans, including long-term investment plans. We have essentially been in a period of stability and simplicity since 2017-18, and we now have another period of stability until 2030. Those are political commitments. The rural support plan does not evolve agricultural support very much within the next four years, but there then seems to be a big bang where change is going to happen. It seems that quite a lot of different pieces of a complex jigsaw puzzle will come together in the final year.

I think that stakeholders—farmers and industry—possibly expected a little more detail about what the transition journey will look like. The transition journey is not explained in the plan other than through a statement that, in year 5—2030-31—budgets will change. There is no real understanding of what will happen to the policy offerings and support schemes that are in situ or how they will evolve and deliver against what the Scottish Government has set out in the Agriculture and Rural Communities (Scotland) Act 2024. Those are some of the real challenges.

The industry will like that period of stability, but it is difficult to see how the detailed outcomes will be delivered until further down the track.

The Convener: I invite other witnesses to comment.

Pete Ritchie (Nourish Scotland): From our point of view, the rural support plan is a manifest failure of policy making. I will focus my evidence on the plan's place in the policy-making process. As it stands, it effectively subverts the principles of the Agriculture and Rural Communities (Scotland) Act 2024. We want a rural support plan that sets strategic outcomes and then connects those to how the money is spent, but it currently fails to do that.

There are some good strategic outcomes in there on things such as fruit and vegetables, small producers and climate adaptation—there are lots of lovely things in there—but the budget has nothing to do with the strategic outcomes. Essentially, it is a rollover of the common agricultural policy. Up to 2016, we complained about the CAP and said that it was ineffective, unfair and bureaucratic, but, 10 years later, we are rolling over the CAP for another four years. It is a complete failure of policy making. It does not take forward the Agriculture and Rural Communities (Scotland) Act 2024 by setting out what we will do to achieve the laudable aims of that act.

Artemis Pana (Scottish Rural Action): From our perspective, stability is critical, as is the transition journey, as Steven Thomson said. However, integration is critical, too. That links to what Pete Ritchie said about how to make good policy. The four tiers could work, but integration between them is a real issue. As I think Kevin Cumming told the committee last week, there is a reason why we have a rural support plan and not an agriculture support plan. In the same vein, we have an agriculture and rural communities act and not just an agriculture act.

From Scottish Rural Action's perspective, the inclusion of communities is deliberate and a strategic necessity to achieve many of the objectives in the plan, including those on food production, nature restoration and the just transition. Although the plan recognises that on paper, as Pete Ritchie says, it does nothing to integrate various aspects of agriculture or to integrate agriculture in the communities bit. That is a huge missed opportunity, not least because it goes against everything that is happening on the ground—the co-operation between communities and farmers and crofters that underpins food security and climate security.

Michael Halliday (Scottish Tenant Farmers Association): Scottish tenant farmers broadly welcome the four-tier plan. We can see where everything sits and how it has been mapped out. As Steven Thomson said, stability is crucial in farming. On stagnation, in the committee's previous meeting, there was a discussion about moving forward slowly but correctly, rather than quickly and incorrectly. If we look over the border to the sustainable farming incentive, or SFI, we see the carnage that it has caused in the tenanted sector, which we could go into later. Broadly, we are happy with what we have seen, but the devil is always in the detail. Specifically, we need more detail on tier 2 activities for farmers.

Kate Rowell (Quality Meat Scotland): I agree that stability is important, but it does not necessarily mean that things have to stay the same. Stability for farmers is more about knowing what is coming, when it is coming, how it is coming and how it will affect them. Farmers know that change is coming, as that has been trailed extensively. However, if you asked 100 of them, I think that no more than two or three would know what that change will actually mean for them. They do not know what it means in reality on the ground.

Dr Vera Eory (Scotland's Rural College): From the perspective of climate mitigation and adaptation, I second most of what we have heard. Stability does not necessarily mean keeping the status quo; it means seeing what will happen in 10, 20 and 30 years, given the investment cycle in the industry. Those specific things are completely missing from the policy and from the wider policy on climate change. Right now, the plan keeps what has been happening in the past years but it does not give any direction on what will be expected or how farmers will be supported to do more on adaptation and to reduce their emissions. That is a missed opportunity.

09:30

Andrew Baxter (Skye, Lochaber and Badenoch) (LD): I have a follow-up question in response to Pete Ritchie's comment about the plan being a failure in policy making. What action do you think Government ministers need to take now to correct that, other than what you said about linking strategic outcomes to the funding? You must have other things in mind that you think the Government needs to take immediate action on to make sure that the plan does not continue to stagnate into the future.

Pete Ritchie: The core issue is the disjunction between the strategic outcomes. Under the 2024 act, the Government has to set out strategic priorities, which are set out in the rural support plan, with indicators and some sub-outcomes. There is some good stuff in there, but there is a disjunction between that and how the money will be spent, which is on legacy schemes that bear no relation to delivering those outcomes. That is the major flaw in the plan.

I and other witnesses could go through all sorts of things that we would like to see in the plan. I would like to see more support for market gardens. I would like to see stuff on glasshouses. I would like to see much more stuff on climate adaptation, as Vera Eory says, because we have a changing climate. Making our farms resilient and future proof should be a core purpose of agriculture policy, but there is nothing in the plan to make that happen, because the budgets are being left exactly as they were and because we are simply rolling over legacy schemes.

We would like the plan to be amended. The Scottish Government has powers to amend the plan if, in its view, the plan is missing information. I think that the plan is missing information, so we would like the Scottish Government to amend the plan. I know that that would create yet more delay, but a better plan is better than a bad plan.

Professor Thomson: On the stability and stagnation point, how the Welsh Government has implemented change is interesting. The Scottish Government has been good at consulting and making sure that everybody is content, and at decision making by consensus, which is impossible. The Department for Environment, Food & Rural Affairs did not do that; it just went, "Boom—we have a new set of policies." It also has a civil service that is triple the size of ours to deliver that.

The Welsh Government put an offering on the table against which the industry revolted, and it then had to scale back its ambitions. It has launched its sustainable farming scheme, and it is optional whether you join it or stick with the current scheme and taper down. As you taper down, coming into the scheme becomes more attractive, so there are options within that.

Pete Ritchie's point on objectives and outcomes is important. For me, one of the things that the plan could and perhaps should have done is better justify why we are spending this money and who, what and where benefits. That would allow scrutiny to be undertaken over a period by Parliament, industry and stakeholders, to see whether we are delivering what we established.

They are not new schemes. There are no business and regulatory impact assessments or strategic environmental impact assessments, because they are rollover schemes. That would have been a good place to start. The starting point of the journey could have been saying, "Here is the state of the nation, and here is why we are continuing to support this. By the way, that is why we possibly need to deliver more budget if you want to achieve all the outcomes that we have set out."

The Convener: Emma Roddick joins us online.

Emma Roddick (Inverness and Nairn) (SNP): Good morning to everybody in the room. I am keen to ask what is missing from the plan, specifically on animal welfare. I will go back to Pete Ritchie, who seems popular this morning, but I would also like to hear from QMS and others if they have comments on that.

Pete Ritchie: Animal welfare is one of the five key purposes of the 2024 act, so it is disappointing that there is nothing in the rural support plan about enhancing animal welfare. The act talks about enhancing, not just maintaining, animal welfare.

We would have liked many things in the plan, so that Scottish farmers could get ahead of the curve on what is happening in relation to animal welfare expectations. For example, I do not know how many of our chicken farmers in Scotland meet the better chicken commitment, but if they need help to adapt their businesses to do that, we should be doing that. We eat a lot of chicken in Scotland but we do not produce enough of it.

Some supermarkets do not want their pigs on slats any longer, so can we help pork producers to conform with the standards that are coming down the track from the retail sector? I think that, in 20 years' time, we will see a lot of cow-with-calf dairying. We should support farmers in making that transition and get ahead of the curve on animal welfare. We could do a lot of practical things to help Scotland lead the world in animal welfare. Let us get ahead of the curve, not fall behind it.

Kate Rowell: I agree that there is a lot that we can do, particularly in areas such as pig farming. The whole industry is talking about adaptive farrowing. Consumers and retailers would like to see it, and the industry is also committed to progressing with it. However, there needs to be a plan and some funding to help with that, because it will ultimately mean that the industry does not compete on a level playing field with imports, which must be considered.

Alongside animal welfare is animal health, which, at its best, can contribute to emissions mitigation. Animals that are healthier and that live for a shorter time contribute fewer emissions—that is just how it is. If they are healthy, you also get a saving on climate change.

Michael Halliday: I want to make the point that animal welfare is already robustly built into the system through cross-compliance. Good animal welfare is a fundamental requirement for receiving agricultural support. It is also built into assurance schemes, and most farmers are part of such a scheme.

In regard to Kate Rowell's point about imports, United Kingdom and Scottish farming are probably already well ahead on animal health and welfare. That is not to say that there is no room for improvement, but it needs to be remembered that many imports are not produced to the same standards, especially when they enter the catering sector, where we cannot tell the story of how well our animals are looked after and people buy purely on price. If we are to further improve animal welfare, such improvements need to be supported, because our opposition and competitors do not have to meet the same standards.

The Convener: As nobody else wants to come in on that particular point, do you have follow-up questions, Emma?

Emma Roddick: I will pick up on the final point that was made. I am keen to look into whether animal welfare standards will increase on their own if we are not specific about Scotland's requirements or expectations. If we cannot control trade standards or agreements with competitors in other countries, will we place a huge burden on farmers here? Will placing that burden on farmers end up being an overall net good if we are still importing poorly reared animal meat?

Kate Rowell: We can, quite rightly, be really proud of our country's standards. We do not, in any way, want to lower those standards, but it is a reality that some other countries do things differently. One key current example is beef coming from Brazil, which has been banned in the European Union. It cannot go to the EU because Brazil cannot demonstrate that it has the right systems in place to prove its use of antimicrobials and other medical treatments. The EU has banned Brazilian beef but the UK has not, and at the farm gate it is about half the price of beef that is reared here, in Scotland. There is a huge price differential and a huge difference in regulation and in the proof that Brazilian producers can give, which makes the playing field uneven. How on earth do our farmers compete with that?

I am not saying that we should reduce our standards, because we definitely should not, but we need to ensure that our farmers are supported when they maintain those high standards.

Professor Thomson: The EU CAP and its continuation in Scotland have been subject to a long argument. Part of the justification for the support payments has been that Europe has perhaps maintained higher animal health and welfare standards than other parts of the world. Other parts of the world have a comparative advantage in producing livestock—they have grass growth all year and lower production costs. It is not all about animal medication. There are different points of differentiation between Scottish agricultural outputs and livestock outputs and those in other parts of the world.

I go back to Michael Halliday's point that we can strengthen this through regulation, the animal welfare laws, the governing of those laws and the inspection regimes around animal health and welfare. Part of the reason why it is not in the rural support plan is possibly that, because the pig and poultry sectors are largely unsupported, it is not within the schemes' domain as listed in the plan to offer support for pig welfare or poultry welfare. We must understand the need to support those sectors in Scotland, which have large outputs but are formed by small numbers of businesses, through capital grants and other means. That is where we need the schemes' support if we want to improve welfare for chickens and pigs.

The Convener: To clarify, are you saying that those sectors are not included even under tier 3 or tier 4 schemes? If there was knowledge transfer on animal welfare improvements, would that be ineligible?

Professor Thomson: They would be included. Any pig farmer who has land and entitlements can claim basic payment support, but the amount of land that they have might mean that the support payments are a very small proportion of their turnover. Given the environmental conditions and all the other things that go with support, they might choose not to apply for it. The same goes for a poultry unit. A poultry unit can be on a very small holding, and the amount of support that a farmer can generate from an area-based support scheme could be relatively small.

Tiers 3 and 4 can definitely target those sectors, but we need to be clearer about what the support measures and the conditionality might be.

Pete Ritchie: Steven Thomson is right. However, in the beef and sheep sector, measures such as agroforestry and hedges are really important for shade and shelter and they are very good for animal health, because cows and sheep can browse the trees. We are trying to integrate these things, but the rural support plan is silent on those matters.

The Convener: Okay. We will move on to questions from Jamie Langan.

Jamie Langan (South Scotland) (Reform): Artemis Pana touched on something that has been a recurring theme when she said that it is the rural support plan and not just the agricultural support plan. Is the plan too broad in its ambitions? Does that mean that we do not have specific and quantifiable objectives for what success might mean for the plan come 2030?

Dr Eory: I will bring up an issue that has been a problem with the CAP and the agricultural support schemes in many countries. The problem is that such schemes try to do two very different things at the same time without separating the budgets. The first is to provide business support or income support for rural areas or for farmers, and the second is to achieve environmental outcomes. Those two things are often contradictory, and, when we put them in the same bag, what we get out will not satisfy either party or either goal. That has been eating up the CAP for decades, and we have the same problem here, in Scotland.

Even within environmental considerations, climate goals, biodiversity and especially mitigation often go hand in hand, but sometimes they are, unfortunately, contradictory—not synergistic, but trade-offs. In the two schemes that contain some biodiversity and climate goals, there are very few climate actions. Most of them are biodiversity ones, and they are in the same pot. That means that farmers will decide which scheme to go for—for example, between the greening one and the integrated administration and control system one. Applying involves cost and effort for the farmer, and they will not do everything. It means that there is competition even between biodiversity and climate goals.

If we do not have specific targets not only for how many farmers, areas and animals, or for what arable area, we want the schemes to be implemented for, but for how much money we want to spend and exactly what environmental outcomes we want to get, and if we do not monitor the achievement of those targets, measure it and feed back on it, we will not get to our goals, as the past decades have demonstrated not only in Scotland but elsewhere.

09:45

Michael Halliday: Vera Eory makes a good point about the tier 2 measures on biodiversity and climate competing against each other because there is no differentiation in the budgets, which I had not thought of before.

Past groups have talked about benchmarking now so that we know where we are and can figure out where we are going. There has been a lot of talk about outcome-driven targets, but I would sound a note of caution on those because, when you are dealing with biological systems and the weather, if farmers are given specific targets for X, Y or Z, it just takes something like the beast from the east, a drought or a bluetongue outbreak to cause havoc with outcome-driven payments.

Artemis Pana: Thank you very much for your question, Jamie. I read the question that you asked at the previous round table, or the one before that, when you phrased it more in terms of whether the Scottish Government is deliberately choosing to keep things flexible, knowing that there is no universal answer to the question of how we best use Scotland's land. It is an important question, and my comment is that, if you are creating flexible policy at a national level—which I fully support, given the diversity of Scotland's rural and island places—you need to resource the decision-making processes that will translate that national-level flexibility into a different but effective reality in each community of place.

What Vera Eory said about conflicts is correct. However, those conflicts are more acute at the national level than within communities, where people have to work together and figure things out. The community element of tier 4 of the RSP, which funds things such as local action groups across Scotland, provides a model for more local co-ordination and networking and for bringing people together to talk about their different interests and needs, especially by working with other structures that have been mentioned at these round-table sessions, such as regional land use partnerships, river catchment partnerships, farm clusters and co-operatives. If those structures all worked together, you would hope to see the integration of the environmental, social and food outcomes at a local level and movement towards achieving them.

Dr Mike Robinson (Royal Scottish Geographical Society): Sorry that I was a bit late, convener. I had a problem with my train.

I agree with a lot of what has been said, except that there is a lot of understanding and cohesion at the national level; we just need to bring it together under a clear vision. To some degree, the vision and objectives stand out as being reasonable and supportable; it is just that the detail is lacking at the moment.

Pete Ritchie: The plan is not trying to do too much; it is not doing enough. When we pushed for the rural support plan to be part of the Agriculture and Rural Communities (Scotland) Act 2024, it was with the understanding that it would function a bit like the CAP strategic plan in that we would have a formal strategic environmental assessment—which the rural support plan has had, although I am not sure whether the committee has had sight of it—that would be reviewed and consulted on. It was to be a systematic look at what we are trying to do with agriculture and how the way that we spend public money supports that.

However, the rural support plan does not do that, so it is not comprehensive enough. It leaves out chunks of things that are really important for making Scottish farming more resilient. There is very little innovation. A pathetic amount of money is spent on innovation in Scotland. In England, for all the faults of the system, a lot more money has been freed up for innovation, which will start will take to root. As Tim Bailey said last week, there is very little on co-operation although supporting farmers to work together is a core element of trying to make Scottish farming more resilient.

Whole chunks are just missing from the plan. It is not too ambitious; it is not ambitious enough.

Jamie Langan: Can I jump in on that?

The Convener: Are there any other responses to Jamie Langan's question before we go back to him?

Dr Robinson: I would like to go back to the questions of who, where, what, when and how, which is all about understanding trade-offs. The plan is probably not explicit enough about the need to understand trade-offs within farms, within crofts and within the system. After all, not all farms or crofts are expected to focus entirely on food production or to deliver for community wellbeing and/or community structures. Crofting agriculture might have a different set of priority outcomes compared with the very intensive commercial units in the pig, poultry and dairy industries and in the fruit and vegetable sectors. They all have different types and mixes of outcomes that we never seem to bottom out anywhere, except when I hear farmers say, "I have to get net zero." I am saying to them, "You don't need to get to net zero—the country needs to." That lack of understanding of what an individual can contribute to the system is missing at all levels, and we need to bottom that out.

Of course, that brings us back to the supply chains. We are talking about agriculture, but the money flows out of agriculture—if it did not, farms would not be mostly loss making—into the rural economy, and having a better understanding of those linkages is really important.

Kate Rowell: I absolutely agree, and I think that we need to take this down to the level of businesses and communities. There are things that can be done on one farm that cannot be done on another. There are farms that have deeper soil, but their soil might not be full of organic material and could be improved a lot; as a result, they could have a target to improve the carbon that they sequester in the soil. There are other farms that are doing all they can in that respect, so they might have a different target—say, for biodiversity—while others might have a target for food production. It is about individual farms looking at what potential they have and where they could get to, and each individual farmer being helped to take the actions that need to be taken to get them to that point.

As far as I can see, that needs people—facilitators, advisers and others—who can help. Co-operation between farms is great, but very often you need a person to help it to happen. These things do not just happen organically, much as we would like them to; you need people to grasp the nettle and take things forward. Otherwise, everybody gets so engrossed in their own daily lives, doing the little things that need to be done on each and every farm and in each and every business, that that does not happen.

The Convener: Jamie, did you have a brief follow-up?

Jamie Langan: Pete Ritchie raised an interesting point about the word "ambition". Obviously there are headline ambitions in the plan, but my frustration is that they are quite broad brush in nature. They are quite agreeable, but they are not quantifiable or precise. We would all like rural Scotland and agriculture to be in a nice place by 2030, but we need very clear deliverables in order to get there, and my frustration is that, as we have heard in previous evidence sessions, we do not even have a baseline to start from, let alone any idea of where we want to be. It is that lack of clarity about what the phrase "our ambitions" means in a quantifiable sense that is a frustration of mine.

The Convener: Finlay Carson has a follow-up in this area, too.

Finlay Carson (Galloway and West Dumfries) (Con): I believe that we were told that the framework bill did not have any meat on its bones simply because it was a framework bill. Then the legislation said something about a rural support plan, but all that we are seeing now is a tick-the-box exercise. The plan might have been delivered to Parliament, but it actually does not deliver anything at all.

Steven, I am going to put you on the spot. You have continuously argued for clearer milestones, stronger rural outcomes and more transparent policy design, but this plan does not deliver any of that. We can draw a contrast between the support plan in front of us and other rural policy approaches, such as the national islands plan. The rural and islands insight report that you were involved in clearly indicated issues with ageing populations, workforce shortages, decline in agricultural participation, childcare, housing pressures, poor transport—all those sorts of things. The support plan speaks about thriving rural communities, but it provides absolutely zero detail of what a thriving rural community is. Does the rural support plan, as it sits at the moment, have far too much emphasis on continuing existing support structures? If we maintain the structures of the current payment system and continue to lose young families, workers and new entrants, will the plan be regarded as a successful agricultural transition?

Artemis Pana: That goes back to the earlier question about how the various tiers are integrated in the rural support plan. The rural support plan mirrors the European approach, whereby LEADER structures are integrated with agriculture development to provide a broader approach to thriving rural communities. As I said earlier, that mirrors, in part, how things work in communities themselves, with farmers, crofters and communities working together to protect the land, build businesses and set up community-led approaches to maintaining populations, attracting new populations and all of that. Those things exist in the rural support plan at the moment.

The plan offers 5 per cent of the overall budget to community-led local development, which, again, mirrors the European approach. We would not argue that community-led local development needs a higher proportion of the budget. We certainly agree with what witnesses at all the round-table meetings, including today, have said about the need for a bigger overall budget. However, we need to argue for integration of what community-led local development can do and what agriculture can do, and we need to discuss how communities, farmers and crofters can use that 5 per cent of the budget to protect the places they call home.

Professor Thomson: The reason why we were commissioned to produce the report "Rural and Agricultural Development: Maximising the potential in the islands of Orkney, Shetland and Outer Hebrides", which was funded by CLLD funding, was possibly that the local authorities and the local action groups wanted to understand the state of the nation with regard to the islands—where the risk points were in the policy evolution, what their transitions might look like and what the support options might look like in the future. We looked into redistributive support payments and small producer schemes because those specific things were unique characteristics of parts of those islands. Should that approach have been embedded in the rural support plan? Yes, possibly, if we were to follow the CAP strategic planning process. A lot of the stakeholders possibly thought that we were going to be following the CAP strategic planning process, given that we have alignment with the EU wherever possible or practicable.

There are challenges here. I cannot say what the outcomes of the rolling over of support will be. Will we lose more young families from agriculture? Will we change the agricultural output of Scotland? I cannot tell you, because I do not have a crystal ball, but I can say that, if you do not plan the schemes or plan for your outcomes, it is unlikely that you will deliver the outcome that you want to achieve in the long term.

Michael Halliday: Finlay Carson listed a number of groups, including new entrants, that are being badly affected. I would put tenant farmers front and centre in that group. The tenant farmer population of the country has dropped from something like 75 per cent after the war to the current level of about 22 per cent of the total agricultural area. The current iteration of agricultural support policies and funding discourages tenant farming and discourages landowners from letting land. There is no blame on landowners for following the pound notes, but we have a situation in which 69,000 hectares of the best-quality land in Scotland is claimed for by landowners, just out of the function of owning land, with very little requirement to do anything. That is land that has been lost from tenants and new entrants and from giving them the chance to claim support.

10:00

More widely, I know of a number of hill farms whose tenancies have been brought to an end through retirement or the end of fixed-term tenancies that used to support a farming family and potentially staff families but that are now being farmed extensively by one member of staff with the bare minimum of stock. People are making an active choice to farm subsidy rather than to farm agriculture, which causes a raft of other problems. We have seen increased fuel loads and wildfires as a result. I do not speak for rewilders, but I do not think that they see rewilding as just the growth of bracken, brambles and other such species on a hill with nothing else happening.

Those are just a couple of points that need to be considered. There are issues with how the current funding is spent, and those need to be sorted out, as we have a limited budget moving forward into the next scheme.

The Convener: I am sure that we will come back to some of those themes later this morning.

Emma Roddick wants to tease out another area of questioning.

Emma Roddick: I want to go back to Steven Thomson's answer on animal welfare and the cost of doing things correctly. The examples that he gave sounded like one-off capital costs. If funds were available for things such as moving away from farrowing crates, would that address some of your concerns about the cost?

Professor Thomson: I am no pig production expert—others possibly have more insights—but those sectors have continually said that the thing that is missing is the capital element. They need capital grants that will help them to make improvements to deliver the outcomes that society is looking for. Those sectors have regularly said that they do not expect to be brought into the direct support payment mechanisms. They are looking for ways in which to leverage their investment to enhance animal welfare or environmental outcomes. That is my understanding of their systems.

Dawn Black (Angus North and Mearns) (SNP): My questions have already been touched on slightly, but I want to dig deeper into funding issues. I seek your views on funding allocations between the tiers from now to 2030 and the allocation from 2030 onwards, following the movement between the tiers. What do your organisations feel about the potential for front loading funding so that smaller operators are not proportionately disadvantaged when it comes to business decisions based on land use change? How do you propose that the funding model could adapt to support all the needs of your operators, including in terms of capital costs, which have been mentioned?

Pete Ritchie: The way in which the budget has been set has a massive opportunity cost, because it basically locks things in and leaves no room for manoeuvre for the next four years on all the other things that we might want to do. We have a long list, and lots of other people will have long lists, but those things cannot be done.

Kate Rowell talked about the whole farm plan. We have come up with costed proposals for working with individual farmers and crofters. That would involve making their whole farm plan into a plan and giving them tailored individual advice and support to make changes on their farms to do some of the things that Vera Eory talked about—mitigation, adaptation and making their businesses more resilient. We cannot do that, because there is no money in the budget for it, because all the money is tied up in legacy schemes.

To go back to Michael Halliday's point, we are still paying people for what they have rather than for what they do. That is the fundamental problem with the CAP, which came out of the production subsidies that ended in 2000 and were then converted into land-based subsidies. We have a ridiculous system whereby we are paying people for the amount of land they have and not for what they do with it in terms of delivering public good for Scotland. The fundamental approach is wrong and, within that, there is certainly some injustice. If, as Steven Thomson suggested, we are going to do what the Welsh Government is doing and taper down that scheme over time and build up the sustainable farming scheme, it makes complete sense to do a bit of front loading within that period and to do some capping as early as possible. As we know, capping would free up £50 million or £100 million—depending on how tight you make it—which we could do all those other things with.

It does not really make sense that profitable businesses are getting a subsidy every year from the public purse for not doing very much except owning land. They are not accountable for that. They do not have to submit accounts. They do not have to say what they have done with the money. It is a very odd form of subsidy. Fundamentally, it is not helping us to deliver our objectives.

Michael Halliday: Pete Ritchie mentioned capping, which is different from front loading, which I think is what the question was about. Although the STFA is not against front loading, we would support the capping argument.

The figures that I have from March 2024 show that, at that time, 50 of the largest landowners in Scotland shared an agricultural support pot of £48 million—almost £1 million of public money each—and that the top 10 per cent of recipients received nearly 50 per cent of the budget. There is an argument about when big is big enough and whether those figures represent the best use of public money, which is a limited resource.

Our submission notes that the 2015 report of the agricultural holdings legislation review group said that there should be

"the ability to cap the amount of Basic Payments that any one individual can claim in order to discourage landowners from taking tenanted land back in hand or simply holding land to increase their Basic Payment claim”.

That goes back to my earlier point that the current system disincentivises landlords from letting land and giving new tenants the opportunity to enter the sector, which has huge implications for fragile rural areas and local communities and services.

Dr Eory: Speaking again from a climate action perspective, in theory, I do not see any problems with who gets how much—whether it is the top 10 per cent or the top 50 per cent. However, there is nothing in the plan on how cross-compliance might be strengthened, which is a missed opportunity. Cross-compliance would mean that whoever received money for their land, regardless of whether they had larger land areas or smaller land areas, should do more on climate mitigation and climate adaptation. Right now, there is nothing on climate mitigation, either in relation to the good agricultural and environmental conditions requirements or the statutory management requirements, apart from a tiny bit on nitrate vulnerable zones, and very little on adaptation.

I would add that this problem with large landowners getting lots of money versus what else the money could be spent on is a prime example of the plan using the same budget to cover many things without separated targets. It tries to deliver income support, but it was developed in an era when most of the farmers were small farmers, so that was all right. However, when the farming structure changed, the money allocation rules did not change, so we have had this conversation for a decade or more, now, about who gets how much.

My third point on this concerns a controversial point in the rural support plan. The target is for 70 per cent of the money that is going into tiers 1 and 2 to stay within tier 1 and be spent on greenhouse gas emissions reduction and adaptation plans. The plan says that the target is to spend 50 per cent of that money on nature restoration and climate action, but—given that 0.7 times 0.7 is 0.49—49 per cent will stay in area-based payments, with almost no cross-compliance being done. That means either that all the money will be spent only on land-based payments and climate action and on nothing else, which, of course, is not going to happen, or that there will be a major limit on reaching even the budgetary targets for nature restoration and climate action, not to mention any of the environmental outcomes.

Artemis Pana: When we started work on the 2024 act and the rural support plan, we expected the principles of the just transition to underpin all actions. We have been waiting for the land use and agriculture just transition plan since the consultation closed. The consultation responses were published only in February 2026, which was far too late to influence the rural support plan. I think that it was David Reay who said that the just transition outcome in the rural support plan just feels like an add-on.

As others have mentioned, what we would expect to see across the tiers is a focus not on business as usual, but on managing the shift to net zero and climate resilience in a way that is fair to people and communities, and that does not burden them with costs arising from the transition.

I want to go back to something that Donna Smith, who is the chief executive officer of the Scottish Crofting Federation, said in the committee’s first evidence session on the rural support plan:

> “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.”—[*Official Report, Rural Affairs Committee*, 2 September 2026; c 18.]

That is why we would expect to see, for example, a move away from a land-based payment formula to a system of front loading and capping. We would also expect to see significant investment in tiers 2 and 3, to help with climate resilience and the creation of infrastructure for local food economies, as well as a lot more targeted investment in tier 4, to future proof land workers and community skills. It is easy to forget that the just transition is a big opportunity for creating new job markets.

My final point relates to the just transition element and the tiers, but it is much broader than that. Others can correct me on this, but we would have expected a very comprehensive equality impact assessment to be done on the rural support plan, along with an island community impact assessment. However, neither of those seems to have been done. Such assessments were carried out in relation to the legislation but not for the plan.

Dr Robinson: When it comes to the funding split, the main issue is that it seems that most of the funding is for stasis, and we are not really in a position of stasis—we are trying to drive change. That is partly a recognition of the fact that we need to do something differently, but it is also a recognition of the fact that we are not in a perfect environment—we are in an environment in which things are not changing on their own—so a response is required. Especially on the environment side, the agri-environment scheme funding has gone backwards when it should be going forwards.

I think that there is an issue with the way in which the money is split. We need to be very clear about what we are trying to achieve. However, this area uniquely feels like one where we can deliver on climate and nature simply by reframing the way in which we spend money. There is a slight fear that we will simply end up with what we already had.

Professor Thomson: There are a number of points that need to be clarified. Tier 1 is not made up only of area-based payments; it includes coupled support payments for sheep and cattle. The cattle scheme involves increased conditionality in order to address climate issues and to improve productivity and food production, which are important goals. Tier 1 also includes less favoured area support, which, in recognition of the additional costs and disadvantages for production that are faced in communities that are dispersed across Scotland, is focused on community outcomes. We need to go beyond the purely area-based focus of looking solely through the lens of BPS and greening.

In my mind, and in the minds of others I have talked to, the split is possibly less important than the conditions that are imposed on different parts of the split. If the status quo is maintained, it will be possible for far more cross-compliance measures to be put into tier 1 and for more of the environmental measures and more of the climate mitigation measures to be made compulsory. If budget is moved into tier 2, that will incentivise farmers and crofters across the country to deliver more. However, there will need to be more measures that relate to the climate, because the list is very biodiversity focused.

10:15

The list of agricultural reform measures was published in 2023, and in 2024 a lot of farmers and crofters asked me when they would start to be paid for the changes that they had made. Incentivisation and messaging are important, because there are windows of opportunity with those people.

Tier 3 is important, but everyone must recognise that it comes at a cost. The cost lies in the application process, because most people will appoint an agent to complete the applications. Access to the fund will be competitive, which means that its reach will be limited. It is really important that we ensure that small producers can participate. Small producers do not simply face higher costs; the costs of compliance are an issue, too. A single application form could cost them £600. A whole farm plan or a carbon audit could also cost £600. If they are receiving only £1,500 in support, that is a fair chunk of the payment, which might be why we have seen an acceleration in small producers dropping out of the system.

Laura Mitchell (Moray) (SNP): I want to come in on the back of Stephen Thomson’s comments about tier 1 and Vera Eory’s comments about income support.

The need for direct support for food production was highlighted in a number of the submissions, including the STFA’s. I am interested in hearing everyone’s views on how important—or otherwise—direct support payments are to maintaining food production and ensuring food security. Michael Halliday mentioned the contrast with the changes that have been introduced in England and what those have meant for tenant farmers there. I am interested in your views on that as well, and on how we can learn lessons in Scotland to ensure that those mistakes are not repeated.

Michael Halliday: I think that the basic payment has more or less gone in England now; it has been replaced by the SFI. I will not try to remember the figures, but I think that Jonnie Hall quoted figures from a farm in Northumberland showing the loss of support there at your first meeting.

Particularly in the tenanted sector, where there were uncapped whole farm environmental payments through SFI, we have seen a number of tenancies come to an end. We have also seen landowners coming in and taking control of large swathes of land, then claiming uncapped payments without having to undertake any agricultural activity, carrying out only environmental activity.

From an environmental perspective, that may be positive. However, as I think I said earlier, for agricultural output and rural communities it has been catastrophic. It is causing real damage to communities. The Tenant Farmers Association in England has called for SFI payments to be capped in order to avoid the continuation of such behaviour.

I want to mention the just transition side of things. Particularly in relation to pot 3, many tenant farmers will be on short limited-duration tenancies, which last for a maximum of five years. The majority of new entrants will start their careers either farming without support, because landowners are claiming the support on the basis that they own the land and are blocking new entrants from accessing it, or on seasonal grazing agreements, which last for up to a year.

Under the current tier 3 rules, the minimum contract length is five years. Someone in any type of tenancy that lasts for less than 10 years is totally locked out of tier 3. Bizarrely, there are no tenancies of between five and 10 years in Scotland; they are either for five years or for 10 years. Those farmers therefore have no chance of accessing tier 3 support.

Funding is set to shift quite dramatically under the plan. I think that, from 2030, funds will move from tiers 1 and 2 to tiers 3 and 4. New entrants and certain categories of tenant farmer will be majorly disadvantaged by that. As Steven Thomson said, it has always been difficult for small farms, and probably more productive farms, to get into agri-environment schemes just because of the way in which the scoring works. They cannot put enough of their holdings under management in order to score the points. Those are major blockers to meeting the outcomes that are desired in tier 3 and, in terms of a just transition, to a tenant even attempting to access it. They are just not able to do so given how things are currently set up.

Dr Eory: I want to point out a few issues to do with food security and farming subsidies. Transitioning from any one system to another requires careful management, long time periods and clarity in order to avoid the fallout. There are a few clear examples of farming that is done without any major subsidies but that works perfectly. New Zealand does not have a major subsidy system, but its farming sector thrives. The monogastric sector does not receive major subsidies, but it is in business. Therefore, giving subsidies to farming is not a prerequisite for farming—that is an important point. There have been subsidies for 50 years, so changing the system would require careful management, but food production would not suffer inherently only because of that.

The other point about food security, especially in a country that is affluent and has a mostly urban population, is that it depends a tiny little bit on production in that country but is massively a function of incomes and availability of food in the corner shop, food deserts—which there are in some urban areas—knowledge and time to cook at home. It is about all those things and not so much about what is produced and how much beef is produced in Scotland, when quite a lot of that is going for export anyway and when quite a lot of barley is used for whisky production.

I do not think that the link between farming subsidies and food security in Scotland is very strong.

Kate Rowell: To return to the question of whether tenant farmers need support, as a tenant farmer myself, I would say that there absolutely needs to be some support. Tenant farmers face particular difficulties when doing a lot of things. It is harder to invest in your farm because you cannot borrow money; you do not own the land that is needed to put up against that borrowing. In our own case, none of the farm belongs to us and the forestry is not under our control. It sits with the landlord, so there is less that we can do with it.

To go back to the previous question, front loading is a good idea, but we need to be very careful on capping. As Michael Halliday said, there are big landowners who do not necessarily do an awful lot to get huge payments, but in the beef sector, for example, the finishers are really big businesses that support hundreds, if not thousands, of much smaller farmers in crofts in rural areas and on islands because they are part of the supply chain. We cannot forget the whole supply chain. Those farmers need to be able to run their businesses, which we should consider in order to ensure that there are no unintended consequences.

To go back to Vera Eory's point, 85 per cent of Scotland cannot produce anything other than grass, and the best way to produce food from that grass is from ruminant agriculture, which, when done in the right way, can contribute to biodiversity, to a better climate and to food security.

Pete Ritchie: It is a great question from Laura Mitchell. The phrase "income support" is a total misnomer. It is used because of World Trade Organization rules, and Steven Thomson can tell you which box that support falls into.

It is a dodge—it is a way of providing subsidy without breaching the WTO rules. That is why it is called "income support". It bears no relation to what we commonly think of as income support, which is how the state supports households that are struggling for money. To get income support, you have to go through the mill in proving how much money you do not have. You have to go through a whole process of showing that you are not well off and that you need social security to provide income support. What we are talking about here is not income support—it is business support. It is important to be specific about that.

To go back to the point that Artemis Pana made, you could front load and do all those things. You could also legitimately subsidise the cost of inputs to remote and island communities; LFASS is a blunt and ineffective way of doing that. You could have targeted subsidies that reduce the cost of fuel or transport, or whatever, to island communities so that they can compete on a level playing field.

On Kate Rowell's point that there are big businesses that support a lot of other businesses, if you want to make the case for business support, you can show the numbers. You can say, "Our business has been losing £100,000 a year for ever, but it is a very well-run business, so you, the Government, need to give us £100,000 to keep doing what we're doing." You can argue that case. However, under the current system, you do not have to present any accounts or projections or any rationale for why you need that support. That is clearly unfair, because some people clearly need support and others clearly do not, but we have such a blunt system.

The Convener: We move to Steven Thomson.

Professor Thomson: You can hear me, can you?

The Convener: The microphone seems to be coming on.

Professor Thomson: Ah, there we go. We got there.

On Pete Ritchie's exact point, with regard to support payments to the largest producers, people get hung up about how much money goes to X per cent of businesses, but, when we look at the output figures for agricultural production, we see that those businesses produce a huge proportion of Scottish food.

I would argue that a lot of the other producers are contributing to that but are also delivering on the community side of things. That is the activity that maintains spend within rural communities and supports the children who are going to schools—the wider fabric—as well as biodiversity, grazing and/or other things. There is a whole series of things—it is a massive jigsaw puzzle, but we do not do very well in trying to understand all those interlinked elements.

That brings me back to activity. Who are we supporting and why are we supporting them? If we know what we are supporting and why we are supporting folk, we can better target that support. Redistributive payments could be front loaded on the first X hectares. If you made it 30 hectares, that would benefit farms of up to 120 hectares, so it would not be supporting just the micro producers. They would get the biggest uplift, but medium-sized businesses would also benefit from it, meaning that they would then be in a better position to deliver from that support.

As another and/or, we could remove the regulatory burdens on the smallest producers by making regulation-lite schemes in which they did not have to go through the application process. I have a friend who just got a letter from the relevant department—it would have cost the department money to send it out—to say that he was 0.0025 hectares out in his application. Why are we still sending letters out based on a European structure of audit, given that we have moved on from that?

There is a whole series of things. Vera Eory's point on food security is vital. We do not have food security in this country; there are people who are hungry and people without food. We have a lot of food production, but that does not mean that we are food secure. What we are talking about here is food sovereignty, and the production of Scottish agricultural output generates wealth for the country, maintains people in communities and contributes to UK, Scottish, EU and global food.

The Convener: Does Michael Halliday want to come back in briefly?

Michael Halliday: It is just to follow up on Kate Rowell's point about trees. It is incredibly difficult for tenant farmers to plant trees, as they risk deteriorating the holding, which means that they would have to rip out the trees and compensate the landlord at the end of the tenancy. That is a really difficult thing to do off the bat in relation to trees. It was a good point.

With regard to trees in general, and specifically the lump of money moving into tier 3 and the Scottish Government's planting targets, tenant farmers are particularly vulnerable to planting targets from the Scottish Government because short-duration tenancies are easily ended to allow the planting of trees, for which there is an incredibly favourable tax regime. Again, however, that is the system, and we cannot blame people for doing that.

The Convener: I know that that issue came up during the passage of the Land Reform (Scotland) Bill in relation to the tenanted sector in particular.

We are going to break there—we can come back to that topic briefly after the break.

10:30

Meeting suspended.

10:40

On resuming—

The Convener: Welcome back. We resume our round-table session on the rural support plan. We have about an hour and 10 minutes left. In order to get through as much evidence as we can, I ask members and witnesses to be concise.

We will stay with the theme that we were discussing before the break. Finlay Carson has a brief supplementary question.

Finlay Carson: Convener, when it comes to being concise, you might have picked the wrong member, but I will ask my question.

I am really pleased that we are talking about redistribution again, because it is really important and it is missing from the plan. As we have heard, the smallest businesses account for a very small share of the total support but they are disproportionately important when it comes to sustaining fragile communities and crofting. We heard from Kate Rowell about the importance of smaller producers in local food production and the importance of active land management to biodiversity and climate change.

Rather than focusing solely on redistributing funds, whether that involves capping or front loading, should the Government instead consider a distinct exemption or a light touch for smaller businesses and crofts? Should it then design support for the remainder of the sector that is based on clear expectations on productivity, climate change and active farming? In effect, should the Government take the 30 or 40 per cent of claimants of a very small part of the budget and exempt them from single farm plans and a lot of the compliance, to make sure that they can be sustainable?

That is a question for Steven Thomson and Mike Robinson, who touched on the issue as well.

The Convener: I will bring in Laura Mitchell, too, because the question of active farming is an interesting one.

Laura Mitchell: Moving to a scheme that incentivises and supports active farming has been a key theme in the discussions over the past few weeks and in the submissions that we have received as a committee. It seems that everyone agrees that the system should support and incentivise active farming and activity, but there seems to be little agreement on the definition of active farming. I am interested in hearing the witnesses' views on how we define it as part of the scheme.

The Convener: So, there are questions about scale and about the definition of active farming.

Professor Thomson: I will start with Finlay Carson's pointed question. In 2022 or 2023—I cannot remember which—I produced a concept note with Andrew Moxey because we were concerned that, as we transition towards a more conditional scheme in which things get tougher and farmers and crofters have to deliver more, small producers would be blocked or locked out and would choose to opt out. The reason why we thought that we needed to look at a separate scheme is that the additional compliance costs are higher per unit of support that those people receive. We were quite clear on that, and the pair of us are still quite clear that we really need to look at that option. It possibly needs to be looked at before 2030, to make sure that we do not have people opting out of the system.

That goes back to the idea that we should perhaps do what is being done in Wales, where the Government has rebadged the terminology on support payments, moving away from direct support payments, which Pete Ritchie spoke about, to social value payments, which covers the broad spectrum of expectations on small and large producers.

10:45

Active farming is the key issue to understanding where the base amount of support goes. All the other tiers flow from that. If you get your active farming definitions correct, everything else can flow from that. The challenge now is what the activity element is. If you speak to a crofter or farmer, they will tell you that they are an active one. However, in the eyes of the Government's systems, unless you have a minimum stocking density of roughly a leg of a sheep per hectare, you do not meet that condition. We put higher activity conditions on the poorest-quality land with the lowest-value support payments. It is a bit strange. If you were to ask the public about that, they would possibly suggest that that is the wrong way round.

Michael Halliday mentioned alternative practice on low-ground land. More and more alternative practice is being declared on region 1 high-value payment land in Scotland. That money could be used to open up that land to new entrants, tenants and so on, but we need to define what we mean by activity on grassland, cropland and rough grazing. The approaches look different on all those different types of land. Possibly the only approach that you can use on grazing land involves minimum stocking densities.

We have mechanisms that we can use to scale back the amount of support that people get to meet their level of activity. There are lots of options, but we need to investigate them very quickly.

Michael Halliday: I broadly agree with everything that Steven Thomson said. One of my other hats is that of agricultural consultant. I have real-world examples of people dropping out of the system due to compliance costs versus the scale of their claim or the income that they would receive. That is happening already, at a time when only two elements of the whole plan requirements have to be met. By 2028, all five will have to be met, so we will likely see further drop-off in the smallest farmers.

If people drop out, they are no longer subject to cross-compliance or GAEC and so on. Any ability to control or steer their actions that the Government might like to have, in terms of biodiversity and climate change, will be lost, because those people will no longer be in the system.

Broadly, I agree with Steven Thomson. Those are just some additional points.

Pete Ritchie: On Finlay Carson's point about whether we should have a separate scheme and, essentially, separate small farmers from bigger farmers, I think that there is a danger in that. There is a risk that you say, "Well, these people are not real farmers, so they don't have to do the things that real farmers do, like having a farm plan or doing continuous professional development." We would like the Government to explore the option of at least having some sort of participation payment that says to people that, if they want to be in this tent of farmers and crofters who are producing food, looking after their farms and the environment and adding social value, as Steven Thomson said, these are the things that we need them to do.

Those things would include producing a whole farm plan, although it could be smaller for a small farm; putting in place measures on animal welfare; engaging in CPD; and so on. They should be required to be part of that community of practice, and, in exchange, the Government could give them £5,000 a year or whatever, which would be a flat rate across all farmers. That would give everyone the sense of all being engaged in the same endeavour and would encourage them to share data and so on. I think that it is probably unhelpful to say to a small farm, “You’re not really in the club, but we will give you a little bit of money to go away.”

Dr Robinson: I think that there are a number of different issues here, and I apologise if I am picking up some of what has previously been discussed.

The concern about the principle of active farming is that it involves a discussion about who is eligible and who we might exclude if we are not careful. I am interested in the idea of people dropping out, and I wonder whether that involves a lack of facilitation. One reason why I got involved in agriculture is that I co-chaired the farming for 1.5°C inquiry, along with the previous president of NFU Scotland. One thing that is interesting about that is the number of facilitating measures. That picks up on Kate Rowell’s point about the advisory, skills and support mechanisms that we need if we want movement on some of this stuff. In the agriculture reform implementation oversight board—ARIOB—and other things, we have not seen a huge amount of energy spent on how to facilitate that.

I wear a number of hats, but I am conscious that we are talking about how to make the best use of what is a significant pot of money, and everybody wants to keep broadening the criteria for use of that money. It needs to do everything—provide income support and island support and deliver on climate change, nature and food security. That is very complex, and Steven Thomson’s point about it being a very mixed jigsaw is absolutely correct. Food security is a difficult one, and it is a bit of a red herring, because we are not really food secure and we are not trying to be, so it would be quite a shift from where we currently are.

However, on climate, we do not think that the plan delivers. It is quite tokenistic and does not lead. In some of the conversations that I have had, there have been suggestions that we should go at the rate of the slowest person in the room. That is not leadership—you cannot lead from the back. I do not think that there is the scale of response that we would expect. I know that Stop Climate Chaos Scotland and others have submitted papers on the response to the climate asks, and Scottish Environment LINK has done the same in relation to nature. It feels that the issue is not being tackled at scale.

I want to add a point on urgency. Agriculture has not seen reductions in emissions for a long time—we are talking about the past 15 years. We have been discussing the issue for the past five years, but we have still not delivered. There is an urgency, and we are starting to see that come to the fore. A lot of the conversation in agriculture should be about adaptation, as it is with islands, as we are starting to see the consequences now.

That was perhaps a bit of a ramble, but it was not meant to be. I am trying to paint a bigger picture. I guess the point is that everything that I have just said shows why the money that we are talking about needs to be conditional—it needs to give public good. There is a huge amount to be done on all those levels, and we will not get there if we are not really clear about the conditions for the funding.

Kate Rowell: On the point that emissions have not been reduced, the question that I would pose is, have they not reduced or are we not measuring that properly? We might come on to that.

Finlay Carson talked about smaller producers. QMS runs quality assurance schemes, and there is a bit of an analogy with that. A long time ago, we identified that smaller producers were dropping out of those schemes because of the amount of red tape involved. As part of the assurance schemes, we run crofting groups out on the islands and in other places. Those allow groups of crofters to come together to get through their quality assurance assessments and to do things such as animal health plans. On animal welfare, we do not want the message to be that it does not really matter if you have only 10 cows and that it only matters if you have 30. That still needs to be done, but there are other ways to do it that do not necessarily involve using a sledgehammer to crack a nut.

I do not have a specific definition of an active farmer, but I point out that everything that is being asked for requires management. There is a misconception that we need to manage land only if we are producing food. We live in a managed world on a managed island. If we want biodiversity to increase, we have to manage that. If we want to reduce emissions and put in adaptations, we have to manage that. All of that is activity, and we need to ensure that that is all recognised. Rather than reward one part of the outcomes that we are looking for, we need to ensure that the reward goes across everybody.

I am sorry, but that is probably not very helpful.

The Convener: It is very helpful.

Dr Eory: I want to go back to climate action and how the plan fits into the wider policies and changes in Scotland.

The Convener: We can come back to that. I am keen to get answers to the questions from Finlay Carson and Laura Mitchell on the definitions of active farming and the way that funding is allocated. Do you have anything to add on that?

Dr Eory: Yes—I will focus on that. The strategic research programme is a big pot of money. It is the main instrument that the Government has, and it is the main instrument that the climate change plan is relying on. Because it targets active farming, all other land areas and land uses are outweighed, which means that they will receive no support. That represents a perverse incentive, economically, for achieving the CCP's goals.

The Convener: Michael, do you want to come back in briefly?

Michael Halliday: Yes. I want to return to Finlay Carson's question about reduced or light regulation on smaller businesses. I definitely agree with Pete Ritchie—we do not want people to be deemed pretend farmers or whatever. However, putting my consultancy hat back on again, I know that there are many people who are dropping out due to fear of inspection, or who feel that they need to pay consultants to complete every form for them, because they are scared of getting it wrong and being penalised. If there was scope for a light-touch system for the smallest claimants, which could involve a different penalty matrix for getting it wrong, so that if they made a small mistake, they would not be burdened with a significant penalty, that might work.

Professor Thomson: I want to follow up on Vera Eory's point. I remind people that the Government has earmarked increased budgets for woodland expansion and peatland restoration. The important bit is where the active farming requirement sits within the four-tier structure. Will it sit only in tier 1 and tier 2, or will it matter in tier 3? Will it be less important in tier 3? It is important that we understand where the definition of active farming sits. I would argue that it is largely focused on tier 1, base, and tier 2, enhanced.

The Convener: I would like to mention a point that was raised with us in a written submission from the Landworkers Alliance, which made the case for a basic income for farmers that would be set at a very low hectarage level. The alliance was frustrated at its inability to have that concept included in the wider discussion around capping and front loading.

I am interested in hearing our witnesses' thoughts on that. Again, it is an issue that brings in active farming, because it gives rise to the question whether someone would have to be an active farmer to receive a basic income. Do people have any views on that specific proposal from the Landworkers Alliance?

Professor Thomson: My concern is that someone with a big garden could declare themselves a farmer and get £4,000 or £5,000. Where would we draw the boundaries? That is always a problem.

In the current system, we have a 3-hectare minimum area threshold. We can change that—it does not have to be 3 hectares—but, if we do, we run the risk of lots of people coming into the system and getting relatively small amounts of money that do not underpin agricultural activity. It is clear from the rural support plan that the Government believes that it is a question not of providing income support but of supporting sustainable and regenerative food production. In the support plan and the vision, the Government's rhetoric has moved away from income support to sustainable food production support, in base.

Pete Ritchie: The group that you mentioned will produce a report soon, but I am not across the details of what it will recommend. From our point of view, we would support a market garden scheme specifically for the purpose of making it possible for people to make a modest living out of market gardens. Typically, market gardens are under 3 hectares, although some are bigger. They supply fresh vegetables on our islands and in remote communities, as well as in and around towns. They add a lot of social value, so I think that a scheme that topped up people's income in that way would be a good thing.

However, as Steven Thomson said, a recipient of such support would have to have a business number and would have to produce accounts. In our book, there would have to be a minimum threshold for the amount of food that they sold. Once you get to be selling £5,000 or £10,000-worth of food a year, you can actually claim under the scheme, because you are not only contributing significantly in some way to food supply but contributing to the social value element. We certainly support the market garden scheme, but I am waiting to see the group's wider proposals.

11:00

Jamie Langan: In previous sessions, we have talked quite a lot about how funding has decreased in real terms while farmers in Scotland are being asked to do more and more with less and less. Is the Government being honest about what it is actually asking from farmers, or do we need to get to a point where the funding actually matches what is required? Do we need to ask farmers to do less if the money will not be there?

Dr Eory: It is a really important and interesting debate, because, eventually, if we want to have improved outcomes, food quality, animal welfare, biodiversity, climate and so on, that will mean, in most cases, higher production costs. Who bears those costs and how are they spread across society, including for the consumers who are abroad getting the exports? Those are big questions.

Also, when it comes to the transition, what matters? Unless that is managed at the point of incidence, the cost will spread across the supply chain. That also depends on negotiating powers. That is why there is a debate about whether farmers need to be offered a subsidy before they can be asked to produce something differently. Do car manufacturers need to be subsidised in order that cars are produced differently? That is also a big question.

The plan itself says that it looked at and followed the environmental principles, including the

"principle that the polluter should pay."

However, on reading the plan, I see nothing about the polluter-pays principle in it.

I am not necessarily advocating for that principle, and we can debate whether it is the consumer or someone in the middle, or the farmer, who should pay, but some of the polluters—who include all of us—will need to do so. Whether we solve that by increasing taxation, by putting higher VAT on certain food products and returning the revenue to farmers, or by putting the burden on the farmers for compliance without paying them anything, so that they have to increase farm-gate prices, is another big question.

Scotland has not dared to address that question in the past 30 years, which is why we are here: we have not come to an agreement and there is no clarity. That is why, even after five years, once this plan ends, there will be an even bigger cliff edge, when farmers and consumers will not know what will happen, because it still has not been decided whether there will be higher subsidies or some sort of higher taxes and polluter-payment scheme.

Dr Robinson: There is probably not enough money in the system. Would we all like to see more? Yes, that would be great. AECS funding has fallen back to about £21 million from the more than £50 million that it was at several years ago. We should at least restore that if we are serious about delivering the right outcomes.

The problem is that, because there is not that much money, as far as I can tell, there is even more reason to make the money work harder, and it all comes back to the same point, which is what we are actually trying to deliver and what the conditions are on that delivery.

The principle behind introducing a universal basic income is a much broader conversation. I do not know whether this is the budget that that should emerge in. The broad principle is great, but the fund would be unconditional, and, if this critical sector needs to deliver so many things, we will need to be far more focused and targeted in how we do it.

Pete Ritchie: Compare what we are doing with agriculture with what we are doing in other areas, such as heat in buildings. We are subsidising heat pumps and solar panels; we are shaping the market so that we can move towards net zero; and the Government has been putting money into those transitional costs. By contrast, with agriculture we have a static budget that is falling in real terms and there is no collective effort to consider how we can reduce agricultural emissions by investing in the technologies for change that are needed to do so. So, there is a bit of a mismatch if the subsidy scheme is needed for us to do what we already do. If we want to get agriculture closer to net zero and to play its full part, there is a very strong case for saying that protracted Government investment will be needed for managing the transition.

Michael Halliday: We are asking farmers and land managers to do more and more with less and less. The figures have been quoted at previous meetings, but the main point is that, if we had kept pace with inflation, the budget would not be £670 million; it would be £910 million. I go back to other points that have been made previously. If we make food more expensive, or if farmers start producing less food because they are dropping out of the systems due to the environmental burden, that food will simply be replaced by imports produced to a lower standard. All that we will be doing is offshoring the problem to other countries, which is not really what we want to do—on the basis of the food miles, never mind anything else.

The plan talks about using outside and third party money to fund some of the environmental gain. To date, that does not look as though it has been overly successful. We have seen examples of companies buying land and planting forests only for the forests to fail and the land to be sold again. We have seen other businesses and estates trying to set up and attract outside investment or sponsors for ambitious environmental plans and, to date, I am not aware of much of an appetite from the industry to pick up on those in order to prove their green credentials.

Farming businesses will need their own environmental improvements to offset against their own businesses. Having multinational companies coming in, looking to rewild vast tracts of countryside to offset their emissions probably is not what we are looking for. I certainly do not think that that is the way forward for funding biodiversity and environmental improvement in this country.

Professor Thomson: I am not a land manager, but farmers, crofters and land managers always worry about what their neighbours are doing. If their neighbours are delivering against national outcomes that you do not then have to deliver against, they will think, “Just let it go and let’s not worry too much about the rewilding thing or the tree planting thing,” because these are all delivering towards the national outcomes. The industry needs to have a close look at itself with regard to how it reacts to land use change, because it is part of agricultural emissions—it just is not in the right boxes within this thing that we call the national greenhouse gas inventory. We need to be really careful about how we process all these aspects.

On the budget—I have produced figures for this—we are probably down at 40 per cent of the buying power we had back in 2000, but, at that time, we had the unintended consequences of overgrazing and environmental damage, so there is a real balance to be struck. Some 2,000 businesses have dropped out of the system in the past decade, so the money in the system is going to fewer people—as businesses have expanded and so on.

The point that Michael Halliday and Vera Eory were making on supply chains is that the standards to which the dairy, whisky, pig and poultry sectors are having to produce in the private sector, through their processing and through the supermarkets and the requirements that they place on those sectors, are increasing daily, weekly and monthly, and we are already delivering. There is still market failure in, for example, the beef and sheep sectors, because those signals are not going through the stratified system. That is where the Government intervention logic actually remains strong, because we need to push sectors where we are not already seeing behavioural change through reaction to markets. There are lots of parts of the jigsaw puzzle.

Kate Rowell: I absolutely agree with what Steven Thomson is saying. Particularly in the red meat sector—beef and lamb—the signals are not coming through. I farm and produce store calves, and the signals that are coming from the retailers do not reach me in any way. They have to go through processors and finishers, and maybe somebody in between, before they get to me. Those market signals just do not get there in the same way as they do with products like eggs, poultry or dairy, for which there are fewer steps.

That was just an aside; I really wanted to agree with what Pete Ritchie said about investment. We are always being told—and I quite agree with it—that, once we get to a greener world, where we have reduced emissions and are more efficient, we will have increased profits. I believe that those two things go together. However, in order to get there we need capital expenditure on aspects such as innovation and uptake. We need capital expenditure on climate adaptation. Initiatives such as the preparing for sustainable farming scheme, small as it was, were building blocks to get to that point. That is where we need the investment. We need the investment now to move people to a place where, we hope, we will not need the same sort of support in the future, because we will all be doing things in a better, more efficient and cost-effective way.

The Convener: Mike Robinson, do you want to come back briefly?

Dr Robinson: Very briefly. I agree with an awful lot of that, but I do not agree with Michael Halliday that the only reason why tenant farmers are dropping out is that multinationals are coming in and planting woodland or buying bits of land and trying to rewild. I just wanted to put that on the record. Landowners and agriculturalists are being asked to prioritise nature and climate, and that is absolutely as it should be. If there are issues with how tenant farmers link into that process, that is one of the things that we need to fix, because everybody should be able to participate in that.

The Convener: I will move on to a specific question around the support that is available, particularly under tier 4. Earlier, Michael Halliday mentioned whole farm plans. I sense that such plans could be quite empowering for farmers by bringing together a range of options and consideration about how land management can be changed over time and the business decisions that need to follow that. Last week, we received evidence from RSPB Scotland about the potential cost of doing whole farm plans properly and having the levels of support and advice that are available through tier 4.

Are there any further reflections on whole farm plans and where you see them? At the moment, the support for doing such plans is in tier 4 and it is a requirement under tier 1 basic payment. Do you have a sense of how powerful they could be in empowering farmers and making sure that their aspirations as businesses are developed?

Kate Rowell: I will go back to when ARIOB started—Pete Ritchie and Steven Thomson will probably remember this. The concept of the whole farm plan came from what I said earlier—that every farm needs to be looked at individually. Everything that they can do, could do and should be doing could be looked at individually. That is where the whole farm plan came from.

Unfortunately, because of various things—presumably budget more than anything else—we have now moved into a place where farmers are doing the plans by themselves, as a tick-box exercise, and not necessarily getting any good from them. In an ideal world, if the money was there, you would sit down at your kitchen table with someone from NatureScot, someone from Scotland's Rural College, an agronomist and a forester or whoever to work out what was best for your farm and map out a plan for how to get there. Pete and Steven will disagree with me if I am wrong, but I think that that was the concept we talked about for the whole farm plan. However, where it has got to now is a shadow of its original intention.

Pete Ritchie: That is absolutely right, Kate. The figures from RSPB Scotland last week are based on the Soil Association exchange pilot that was done in the north Highlands with various groups up there. We have found that you can build on the whole farm plan, but if you try to get people in a room together, it is quite difficult. You really need to do exactly what Kate says—sit down with an individual farmer or crofter, look at their particular situation and give them really high-quality advice. Doing that for a big chunk of the farmers and crofters in Scotland was costed at £17 million; to do it for everybody would cost £52 million. That was the back-of-the-envelope calculation, based on that pilot project.

Nonetheless, actually empowering farmers through giving them tailored individual advice on the whole farm plan would make sense of the system. It would give farmers a chance to think about what they want to do, the grants that they might want to access and how they might develop their business.

11:15

Dr Eory: I would also link this discussion back to the lack of vision and the lack of long-term policy, security and clear long-term goals from the Government both in the rural support plan and much further ahead, post-2030.

The whole farm plan became a tick-box exercise because there is no clarity on what is needed. Why do I need to do it now, and what do I need to do? There are certain things that I could do, but I do not know what I might be required to do five, 10 or 15 years down the line. I am just doing it because I need to do it, but I cannot think in the longer term because I do not know whether I will meet the requirements for support payments or whether there are any penalties that I might have to pay in 15 or 20 years' time. How might that depend on my farm structure? What do I need to do now for biodiversity? There is no long-term clarity that would drive a farmer's individual need to do something about their whole farm plan.

Michael Halliday: Quite often, if you are the only farm consultant in a room full of farmers, when everyone mentions plans you absolutely get it in the neck because of the cost. It is viewed as money coming out of the system that should be spent on the farms.

If we think back to what happened with the foot-and-mouth disease recovery plans, we can see a real danger. Consultants, funded by the Government, produced very high-quality plans, which were often done by following a template. The approach was, "How many plans can we do as quickly as possible and get the funding?" and then the plans sat in the bottom of a drawer and no one ever looked at them. To my mind, such an approach would be a monumental waste of money.

RSPB Scotland talked about there being £52 million to support 17,000-odd businesses with plans; that is about £3,000 per business. That amount would not touch the sides with regard to the consultancy time that would be needed to get a properly meaningful individual farm plan. If that were a requirement for all BPS recipients, there would not be the capacity among agricultural consultants in Scotland to produce those plans.

On whole farm plans and soil sampling, a major question is why farmers are not doing such sampling to start with. They should be sampling—they should know their pH levels and they should be applying lime, because there is no point in applying fertiliser if your pH levels are wrong. That should be a given. I guess that making farmers do that would be useful, but there is a question whether that should mean having a tier 2 measure to require farmers to do something about their soil pH, rather than just knowing that it is not good.

With things such as a biodiversity audit—which is, in effect, a farm environment map—are we looking to measure change? That brings us back to baselining: where are we now, and where are we going?

A point was made earlier about not reducing emissions. I beg to differ because, thinking back to my early farming career, the amount of fertiliser that got thrown around was significant, and that has now significantly reduced on a lot of farms. There is better use of slurry and it is just too expensive to use fertiliser willy-nilly. However, that is not baselined, so we cannot prove that.

Dr Robinson: Whole farm plans were quite a big recommendation as part of the farming for 1.5˚C agenda; I just do not feel that anybody thinks the way that those plans have been done has been particularly great. That answers the question about flexibility, but not if it is not resourced. That is the main part.

Andrew Baxter: To follow up on that, we are getting feedback that, although the concept of whole farm plans is sound, without adequate funding to enable farmers to actually undertake that process, it would be rather fruitless. If the committee were to go to Government ministers and say that we need a reprofiling of the funding to allow that to happen and they say no, where do we go from there?

Do we say that the whole farm plan process is no longer fit for purpose and that we should no longer proceed? How do we redesign it in the best way possible to enable it to provide the outcomes that we initially hoped for?

The Convener: I will go to Steven Thomson on that. I will also chuck in the fact that, under the Land Reform (Scotland) Act 2025, we will have a requirement for land management plans for holdings that are more than 100,000 hectares. A legal requirement is coming in for planning at that scale, too.

Professor Thomson: I do not think that anybody disagrees with the concept of the whole farm plan. Everybody thought that it would provide a useful baseline for us to know where the nation is with regard to carbon, soil pH, soil carbon and biodiversity. That was the concept that came from the farmer-led groups and the farming for 1.5°C agenda. You start your journey by knowing where your starting point is, not where the end point is. Those were important factors.

I will not go too much into the detail of the different components of the whole farm plan. However, we are not capturing that data, other than the habitat assessment that is captured by rural payments and inspections division systems. The animal health and welfare plans and the carbon audit data are not captured. The soil pH data will sit in somebody's computer somewhere, but it is not captured. Farmers and crofters will be reacting to some of those things and making changes, but we are not documenting what those changes are. The fertiliser reduction is not happening through planning; it is possibly a result of the cost of fertiliser and long-term changes in fertiliser prices.

To go back to Vicki Swales's point at last week's meeting about the whole farm plan, in 2007-08 I did an evaluation of Cumbria Connect, which had an investment programme with capital grants for farmers. A young chap called James Rebanks chaired the committee that made the decisions, and he made sure that there was environmental conditionality on all capital grants. That ensured that waste water was captured and that slurry tanks were covered. He made sure that environmental conditionality was at the heart of everything.

That scheme included five days of dedicated business and environmental advice to come up with an integrated sustainable development plan, using a set of three-year and 10-year goals that the farmer could adapt. Famers saw those plans as being very useful, but the quid pro quo was that some big agency firms just used templates and did not do the real detail. Smaller, one-man-band agents did a very good job of those plans. That has a legacy, which is that the plans that were done well have helped businesses to progress and to see what their future looks like.

The challenge is how to resource such an approach. We should have used the Bew money for that as a strategic investment. We should already have been in a situation in which all farmers and crofters had a sustainable development plan. We should have invested in that over the past five years. We do not need to do everybody in year 1, and we can prioritise whose business needs to be done. There is still scope for that, but the question that I always have is: do we end up with individual contracts with every land manager in Scotland? Under public sector reform, that will be really difficult to administer.

Pete Ritchie: On Andrew Baxter's question and on what Steven Thomson said, I do not think that it has to be a case of either/or. We are asking the Government to invest in the next stage. Things have been done with 20 farmers. We should go out to tender for 500 or 1,000 farmers and see what happens when the money is spread across a lot of farms. Can we do it at £3,000 a pop or is it more expensive? If you aggregated the outcomes of the plans and some of the data, you would learn a lot from that. We do not have to do it all at once, but moving on to the next stage with 500 or 1,000 farmers would teach us a lot.

Kate Rowell: I do not know whether the committee is aware that QMS, along with the Agriculture and Horticulture Development Board in England and Hybu Cig Cymru in Wales, is currently running an environmental baselining project, which is pretty much what we are talking about here. It is a bit like the RSPB pilot that has been mentioned.

We have gone on to 35 farms in Scotland—I think that there are 160-odd in the whole UK—and measured their carbon down to 1m. We have done light detection and ranging—incidentally, we have LiDAR in Scotland as well—to find out what the carbon stocks are. The next stage of that is to work with the farmers on specific interventions to see what they can do to improve. It is mainly about carbon rather than anything else, but that would be different in a different scheme. We go back in three and five years' time to do the same measurements again, to see how things have changed and find out exactly what actions make a difference in different geographies, land types and farming systems.

That is a small number of farms, but such approaches can be rolled out and you do not necessarily need that level of detail for every farm across Scotland. You can use such data from us and from others who have done it to try to roll out the project through approaches such as monitor farm projects—again, I am pushing QMS, but there are other projects as well.

We based that project on one that happened in Northern Ireland, which was called the ARCZero project. The Northern Irish have rolled out that out across their entire policy area and have seen huge amounts of behavioural change in the farmers, because they are given information about their own farms. They are given individual, tailored advice. Not only can they see why they are doing something and what the outcome is; they can see that it is working. Northern Ireland has had huge success in behavioural change. That is the point that we need to get to. We need farmers to buy into the change absolutely.

To go back to the whole farm plan, farmers do not understand why they are being asked to make the changes. If I have a one-to-one conversation with a farmer and say where we were with ARIOB, what we were thinking and what the plan for it is, they get it. The way that it is just now, it is just something that they have to do and it makes no difference.

We also need to ensure that things are captured. We are planting much more diverse swards—herb-rich grassland. Nobody is counting that. Nobody knows that we are doing it or what difference it is making. Therefore, we are getting none of the financial or even moral credit for doing that. Farmers do not see any benefit, either financially or in the eyes of the public and others, to doing those things, so we have to ensure that they are measured and recorded, so that people do see the benefits.

The Convener: There are aspects of rural development funding and programme support in tier 4, but, in your written evidence to the committee, Artemis Pana, you said that rural development is seen as

"a trivial bolt-on or … a puzzling hangover from"

CAP, when we had the LEADER programmes.

You have spoken a little about rural development already. Do you want to add anything about what funding support or measures the rural communities that you work with would like to see come through and integrate with other levels of support?

Artemis Pana: I am happy to do that. The response is complex and placed within a wider policy landscape.

It is important to note that, at the moment, from the perspective of rural communities, the rural support plan seems to be filling an enormous vacuum that perhaps it should not fill. I will choose my words carefully. During the past five years, with the notable exception of the rural support plan and the national islands plan, there has been no rural strategy for Scotland and there have been two abortive attempts that rural communities have actively engaged with. One was the rural economy strategy that was shelved in 2021 and the other was the rural delivery plan, which was about to be published in February 2026 and was shelved. Therefore, it makes sense that they look to the rural support plan to do a lot more than it should.

The rural support plan is about co-operation between farmers, crofters and rural communities for the benefit of their homes, but it does not exist to solve all of rural Scotland's problems or make good on all of the opportunities. Therefore, we need integration between community-led local development within the rural support plan, agriculture and crofting.

In relation to rural development more widely—this applies to agricultural reform, too—we should also be looking elsewhere, such as the newly announced rural renewal bill, for example.

The Convener: Can I get some reflections from others around the table on rural development and rural communities more widely? I am looking at Pete Ritchie—you look like you want to come in.

11:30

Pete Ritchie: No, not specifically on that.

The Convener: Okay. Are there any other thoughts?

Kate Rowell: I have a short point about infrastructure and supply chains in rural areas. We need to ensure that the infrastructure is there, because, without small abattoirs and processing plants for milk and other commodities, things just disappear.

In the pig sector, we have what is admittedly quite a large abattoir in Brechin, but it is the only pig abattoir in the whole country. If anything was to happen to that abattoir, pig producers in the north-east of Scotland would not be able to get their pigs to an abattoir within eight hours, and the entire pig sector in that region would disappear. Small and big abattoirs—and other types of infrastructure with which I am not necessarily quite so au fait, not being in the red meat sector—are really important for rural communities.

Professor Thomson: On the CLLD question, community-led local development—or, historically, LEADER—was a bolt-on in EU terms. In many EU countries it was purely agricultural, whereas in this country it was broadened to include wider rural development issues, supporting communities and supporting co-operation, innovation and learning.

There are elements of the last rounds of that EU funding that are now being funded from within the Scottish Government. For example, there are some local action groups supporting farm and crop diversification, and a number of polycrubs in the Western Isles have been funded through that and are now supporting local food networks. The Government has also introduced agritourism grants; agritourism was supported through CLLD funds in the last round. We also have the small producers pilot, in which money is going to support the small and micro food producers that Pete Ritchie talked about earlier.

There are elements of the EU scheme that the Government has mainstreamed—as we might call it—back into its main support structures in the rural support plan. We are then left wondering about the Government's thoughts for CLLD. It is important to understand what that approach will deliver for rural communities, because it previously acted like a bit of glue in those areas by providing some degree of co-ordination, bringing together like-minded people to come up with new ideas for how we support them.

Quite a few of those structures are now being used to deliver things from community benefit funds and the community and renewable energy scheme, and from the coastal communities fund, which is Crown Estate Scotland money that is going to coastal communities. That wider suite of benefit funds is now flowing into rural communities, and the CLLD pot is potentially the model for coherent governance of that.

The Convener: Artemis, do you want to come back on any of those points?

Artemis Pana: I agree with everything that Steven Thomson said. At present, the CLLD funding—or rather, the CLLD programme; it is not just funding but a programme of animation—supports the work of 20 local action groups as well as a number of different programmes. Those local action groups bring together communities, land workers, farmers and crofters to identify where—as Steven said—there are opportunities to build supply chains and invest in microbusinesses that will support local food production as well as supporting community ownership and community leadership more widely.

The Convener: We will move to another question, from Emma Roddick.

Emma Roddick: I am keen to ask about engagement. How do you feel it could be improved, and what would you like to see moving forward, now that ARIOB no longer exists?

The Convener: Who would like to start on that? Mike Robinson, you were on ARIOB, so I will start with you.

Dr Robinson: Thanks. [*Laughter*.]

It is interesting, actually—I do not think that ARIOB was entirely unique. I am aware of what has happened in a number of different sectors, and we have just heard about the rural development plan being shelved. It feels as though there are opportunities to discuss and debate. I am not sure that we are focused on quite the right question, but in my experience of ARIOB there was a fairly good uniformity of opinion in the room and a lot of shared concern and values, and a shared desire to see change and progress. However, that has not really translated into progress, so there is something else going on that means that it is not quite working.

I have been involved in a number of consultations over many years, and I think that there is frustration out there—it is quite widespread, in fact. People are providing input to significant processes to give advice and support, and to offer solutions, but there is quite a strong sense that very little is getting adopted.

With ARIOB, it felt like we put a lot of time and energy in and committed a significant number of days to that development, and put a lot of thought into it, but it did not really shift the dial very much. I am not quite sure why it is not translating into action. I think that everybody wanted to see that, and to see urgency and a scale of response, but ultimately that was its failure, in my view.

Pete Ritchie: The consultation and engagement on the rural support plan was derisory, quite frankly. The committee got an outline in 2024, but nothing was discussed in ARIOB—although I think we asked a number of times when we would be discussing the plan—until October 2025, at which point we got a draft version with no budget figures in it. We and other people made various comments; as far as I could tell, none of those comments were taken into account. The budget figures were slipped out at the final stage of the process, and the plan came to Parliament on the last day of the session.

That process was discouraging, but I want to speak specifically about the strategic environmental assessment. That was ruled out for the Agriculture and Rural Communities (Scotland) Bill as a whole on the ground that it was a framework bill so we did not need an environmental assessment. We then pushed for a strategic environmental assessment for the rural support plan, and it was eventually agreed that there would be one of those. However, there was no consultation on that strategic environmental assessment, despite the fact that consultation is good practice and in Scottish Government guidance. There were no responses from any non-governmental organisations or any farming interests, as nobody knew that it was going on.

That is an example of a process that was carried on under the radar so that we could not have a discussion—to go back to the points that Vera Eory and Mike Robinson made—about the strategic environmental impact of the way in which we do farm subsidies and what alternatives we could consider in order to have a different impact. None of that consultation happened, so it was a very poor process.

Michael Halliday: The STFA was not involved in ARIOB, which we were slightly disappointed about because we had, in my predecessor as STFA managing director, someone who would have contributed very capably to that, given his past experience. We have been invited to be a member of the land, agriculture and nature delivery—LAND—group, although I know that that is not a direct replacement for ARIOB.

With regard to further discussion and information, and feeding into the process, it is a question of being given information clearly and in time for us to comment thoroughly on it, so we would ask for sight of plans and requests for comments in good time.

Professor Thomson: Although I attended ARIOB meetings, I was not a member; I attended through the academic advisory panel to ARIOB.

What I would say is that the Government has probably used a lot of stakeholder groups to discuss a lot of components of the rural support plan. For example, a stakeholder group was advising, or discussing, the changes to the Scottish suckler beef support scheme, with broad representation from across the sector, and it was fully sighted on the proposals. The group discussed the proposals and asked for an additional analysis, which was provided to it. The Government was very open on the developments in that scheme.

There was a whole farm plan steering group set up as a sub-group within ARIOB, and a small producers pilot group was set up. The Government is very open to having discussions—the issue is how that then filters through into this wider thing called the rural support plan. I am less sighted on that and on how all those bits flow through into what we see in the rural support plan.

We should give the Government credit, though, as it does discuss things with stakeholder groups quite extensively, and getting consensus is difficult.

The Convener: Emma, do you want to come back in?

Emma Roddick: Yes. Can any of the witnesses who did feed into the process, whether through ARIOB, the agriculture policy development group or any of the other groups, point to anything that is in the plan as a result of their feedback?

The Convener: I can see shaking and nodding of various heads. We will start with Kate Rowell.

Kate Rowell: The one example that I can think of is the calving interval piece. That was proposed at ARIOB—several of us were very strong in saying that we should be doing that, and it went through, so I can see a direct link there.

What ARIOB probably did more than anything was stop, or slow down, bad policy, which is something that we do not then see. Members of ARIOB would bring up unintended consequences, and the suggested policy would then possibly not go forward. We do not see that, but I think that they stopped it.

As for positive policy development, however, the calving interval is the only one I can think of, off the top of my head.

The Convener: I will bring in Artemis Pana online.

Artemis Pana: We had a really good experience in engaging in the development of the Agriculture and Rural Communities (Scotland) Bill. We felt that that process in itself was very inclusive—that was perhaps, in part, because the bill, which is now the 2024 act, sat between the Government and Parliament at the time. There were many conversations at that time about the integration between community-led local development and agriculture.

When the bill became an act and we moved towards engagement on the rural support plan, the process became, from our perspective, a very closed door to communities. It was incredibly unclear to us how we should engage with the process. We—not only us, but stakeholders within community-led local development—resorted to writing letters directly to the Scottish Government and the cabinet secretary, while also relying a great deal on academic colleagues who had a seat at the academic advisory board and places like that.

I think—others may correct me—that the big question for today is that we still seem to be missing a governance and engagement piece with the current rural support plan. I am not an expert on this, but it does not appear that the new LAND group will have a specific remit for the rural support plan. We have already, in these round-table sessions, identified many ways in which the rural support plan could be improved or changed, but who is going to be responsible for that? Is it going to be the agriculture policy development group? Does that group have the right powers? Those are all big questions for us.

Dr Robinson: In trying to be constructive with regard to ARIOB, I think that there are a couple of quick points worth making. One is that I do not think that there was an intention that ARIOB would always form absolute conclusions; it was more of a discursive body. I think that any future committee or working group needs to be clearer about whether it is actually making decisions or helping to reach conclusions.

11:45

It sometimes felt like something slightly inconclusive was taken out of the room and then something else happened. Along with that lack of conclusion, I think that clarity in the chairmanship is critical, too. In the discussions as part of the farming for 1.5°C inquiry, we had co-chairs—NFUS was represented, and I was the other co-chair, representing other interests such as science and environment. That worked very well, and I think that that sort of structure would work well in any future committee.

The Convener: Pete, do you want to come in?

Pete Ritchie: In relation to the rural support plan, I agree with Artemis Pana that there was much more engagement on the Agriculture and Rural Communities (Scotland) Bill because it came to Parliament and there had to be consultation. There was no real consultation on, or engagement process for, the rural support plan. It was seen by the Government as essentially mopping up, or putting in one place, what it was proposing with regard to the tiers. It became a very narrow process about sticking the rationale for the tiers in one place and then sticking the budget on it.

As I said, the budget decision came out very late in the process and there was certainly no consultation on that—certainly not with us. I do not know whether there was consultation with other interest groups, but there was no consultation with, or discussion in, ARIOB about the rural support plan.

Professor Thomson: I can see the hand of quite a lot of different discussion groups in the rural support plan. The Scottish suckler beef support scheme, which I mentioned, is entirely embedded within it.

On the enhanced greening conditionality, the Scottish Government had quite a lot of discussion and undertook extensive stakeholder engagement. The proposals for enhanced greening on permanent grassland are not being taken forward in 2027 as the Government thought they would be, and all those things were discussed with stakeholders and experts. A lot of the agents were called into the room, along with the seed merchants who would have to supply seeds to enable the conditionality measures to be undertaken. There was a lot of discussion on that.

I can also see the hand of the academic advisory panel in some elements of the plan, as well as some of the commissioned research that I did. I can say that ARIOB extensively discussed the budget allocations—whether there was agreement or not, those were extensively discussed—and where a lot of the schemes would actually sit.

Those kind of discussions were had. As I said previously, they were perhaps not in the guise of, “This is all going in the rural support plan in the one document”—the work went through various different iterations. However, we should give the Government credit because it did discuss a lot of it with people.

Finlay Carson: I guess I get a bit frustrated. While it is all very good—we have had decades of consultation and working groups, and I know Steven Thomson has been involved throughout the process—we have a final plan that largely resembles what we had before. It is a tartan CAP—it is just a Scottish version of the common agricultural policy, with very few genuinely new policies. Even the calving index is something that the Government got wrong initially, because it did not recognise the issues with crofters and small farmers, so that is not an overriding success.

Although we have had the farming for 1.5°C inquiry and the farmer-led climate change groups, those have, in practice, had little effect on the plan. We are sitting here today—and the committee has had three sessions already—without one witness suggesting that the plan is fit for purpose. That would suggest that those decades of consultation and groups have actually failed, to some extent.

I guess my question is this: what confidence is there that, as we move forward, LAND or the agriculture policy development group will change anything? Is there any chance that some of the changes that have been discussed here, which need to happen before we see a draft of the next plan, are going to happen? Are the groups that are being put in place actually going to deliver?

The Convener: Are there any brief reflections on that from the witnesses?

Dr Eory: It might be a very quick one. In the past, and still to this day, there are examples of climate change action being delayed and of ambition is going down and down. I have no confidence that, without a major overhaul of how we work and what we want to do, the plan or any further action will deliver or that we will achieve the climate change goals.

Pete Ritchie: I agree entirely with Finlay Carson. The plan is very disappointing and is not fit for purpose. As I think you said earlier, Finlay, it was a tick-box exercise. In our book, it has not even ticked some of the boxes that it should have. For example, as we mention in our written evidence, the Scottish Government's guidance on the climate change plan sets out what public authorities have to do to support the move to net zero. The rural support plan does not do any of that. It looks as though the Government has not had regard to its own guidance in drawing it up.

Most important, our understanding was that the rural support plan would create the framework and intervention logic that would then allow this committee to scrutinise the secondary legislation that has to be introduced before the new schemes begin to operate. At the moment, we are operating on legacy schemes from 2020 and earlier, and there is a legal basis for that. However, if we are going to move the legal basis to the Agriculture and Rural Communities (Scotland) Act 2024, we must have in place secondary legislation to allow us to do so.

Currently, what will come before this committee is a tier 1 scheme that is full of flotsam and jetsam. It will include headage payments, which are an anachronism. It will include the less favoured area support scheme, which is an even greater anachronism. I do not hold Steven Thomson entirely responsible for LFASS, but he has a finger in lots of pies. [*Laughter*.]

The Government will put all of that into tier 1 and then ask the committee to sign off on a tier that has no intervention logic. Later, you will get tier 2, and then, a bit later, you will get tier 3. At some point, you might get tier 4, which, as we have always said, is the engine for change through co-operation, advice to farmers and innovation. That is where we should be starting rather than finishing.

On the original idea of how this committee is supposed to scrutinise the secondary legislation, the rural support plan should have given you a framework for doing that, but it fails to do so.

The Convener: That is why we have started this inquiry early, in the first weeks after summer recess of this parliamentary session.

I will bring in Michael Halliday.

Michael Halliday: The four tiers have been trailed for quite a long time, and a number of farmers are perhaps starting to get their heads round them. Farmers are often slow to change, and probably the fundamental concern is what the pound notes look like at the end of it.

I think that I have already mentioned that we have concerns about tier 3 and access to that funding for all tenants, due to the expectation that it will require five-year contracts, as is required by AECS.

Two or three years ago, options were trailed for tier 2. If we are to proceed with that format, we need to see a real beefing up of the options, their availability and their suitability for different farm types, geographic areas and land occupation types. We certainly do not want to throw the baby out with the bathwater, but the devil is always in the detail, and we need to see that detail.

Professor Thomson: I am scratching my head, but I will add to that.

I am probably in a very privileged position in that I sit on the agriculture policy development group. I am commissioned to do research, so I am privy to a lot of the discussions about what is going on and the Government’s thinking on some of this. I have a degree of confidence that, come 2030, we will have some new schemes that will potentially be able to deliver all the outcomes of the plan as we transition. My concern has always been that I thought the same in 2020, and here we are, in 2026, and we have not really delivered an awful lot in that period.

Timeframes slip very quickly and, from the Government’s discussions, it appears that it will take two years to design new schemes and make them ready for delivery. Getting decisions on those schemes will be vital in the very near future in order to deliver and go out to consultation, undertake wider engagement and give people the confidence that they know what is coming down the track.

Going back to the wider question of engagement, I would say that monitoring and evaluation within the rural support plan were discussed quite a lot in ARIOB circles and with stakeholders. We should give the Government its due: a lot of elements were discussed. People’s memory of those discussions might be a bit lacking.

Kate Rowell: Farmers on the ground need some clarity about what will be expected of them, when, and how much it will cost them or whether they will be rewarded for it. I know that we cannot be absolutely accurate about that.

I will illustrate the issue, and many people in this room will be familiar with what I am about to describe. Let us say that a cow on my farm has a calf in April 2027. If it is a female, we will keep it. It will not have a calf of its own for another two years, in 2029. These timescales are very short in farming minds. Things are really long term, and farmers just want to know what they are being asked to do, why they are being asked to do it and how it will affect them.

I have always found that, if you explain things to people and can get them to understand the reason for them, although they may not agree with what they are being asked to do and may not particularly want to do it, they are much more likely to go along with it. That is the communication piece.

To be fair to the Government, we have raised the need for communication at ARIOB from 2021 onwards, and it has tried. I do not know what the answer is, but we need farmers to understand the journey that we are on and what their part in it is. We need to get better at that, and the Government needs to get better at that.

The Convener: Artemis Pana, do you have any final reflections?

Artemis Pana: None from me, thank you.

The Convener: We are running a little over time, but Dawn, did you have a final question to put to one or two witnesses?

Dawn Black: Yes, if that is okay. I want to take advantage of the fact that we have two members of Scotland's Rural College here.

I am thinking about the education of our future generations of farmers, agricultural workers and horticulturalists, about the traditional piece versus biodiversity—ensuring that biomes are healthy by doing co-planting and all those kinds of things—and about ensuring that the food that we produce is as nutrient-rich as possible. I am also thinking about ensuring that market gardens are paid the same attention as arable farming and livestock, and then about the environmental piece around that.

How are you approaching that within the teaching at the college? How does that then feed into the vision for the future of agriculture?

The Convener: We have the luxury of having two representatives from SRUC with us, and we had one on our first panel as well. Do you have any reflections on courses, Steven?

Professor Thomson: I would say that, with the college having gained taught degree-awarding powers and pushing for university status, that gives us a huge degree of flexibility to pivot that we have not had historically when traditional universities, such as the University of Glasgow, have been accrediting our degrees. There are great opportunities for the college to make sure that we react to the new needs of the agricultural industry, and we are already seeing that in some of the programmes of study.

I am less familiar with the horticulture side of things, but I know that we have strong student intake and expertise in that area. On the agriculture side, I am sure that students are pivoting towards newer techniques and developing an understanding of land management requirements. Regenerative and sustainable agricultural practices should be embedded within that.

Agriculture teaching is a bit like policy. It takes time to change and evolve programmes of teaching, and ensuring that we have the capacity to do that will be vital. Feedback from the committee would be useful in supporting those future directions.

The Convener: It might be useful if SRUC could write to the committee to provide a breakdown of not just the university courses but the college courses that you are offering in different locations, and how you are planning for the future.

That brings us to the end of our witness sessions for this inquiry. I thank everybody who has attended this morning, including those online. We will hear from the Cabinet Secretary for Climate Action and Rural Affairs and the Minister for Agriculture, Marine and the Islands at a future session. We will be asking them about the rural support plan. The evidence sessions that we have held have given us a lot of questions and starting points for our conversations with Government ministers.

I am grateful to everybody who has contributed to this inquiry—not only those who have done so in person but those who have provided written submissions, which have been very useful and will be considered and included in our deliberations.

That is the end of the public session for this meeting. Thank you for joining us.

12:00

Meeting continued in private until 12:27.

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