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First Minister  
Scottish Government  
St Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

1 September 2023

Dear First Minister,

Ahead of the new Parliamentary session and the publication of your Programme for Government, I am writing to ask for your support to secure a viable future for Scotland's farmers and crofters.

Whilst there continues to be many challenges facing the industry, I believe the Scottish Government has an unprecedented opportunity through its policy and legislative programme to support Scotland's farming industry to respond to these challenges and seize our potential.

As you know, agriculture is one of Scotland's oldest and most important industries. We are vital to the delivery of the Scottish Government's outcomes around food, climate, and biodiversity. Our contribution to the economy and the social fabric of Scotland is immense and we have more to give. But the next few years are going to be critical as decisions taken by the Scottish Government will shape the future of the industry for many years to come and, if the right decisions are made, will underpin our long-term viability.

I have set out below five areas where we seek your support. If this happens, it will enable us to continue producing the food we need, accelerate our efforts to address the climate challenge, support biodiversity recovery and, critically, continue to be that economic and social lifeblood of communities the length and breadth of the country.

Your clear and unequivocal support for the industry, putting food production at the heart of Government policy, would send an important signal to farmers and crofters and provide the confidence they need to invest in the future. This is important because the industry continues to face a number of challenging headwinds. The cost of production continues to spiral, a chronic shortage of labour, margins continually being eroded from the market due to the imbalance across the supply chain and, to compound matters, the volatility of the weather.

We also have a raft of emerging policy and regulatory changes to contend with, including: the Agriculture Bill, new targets and measures relating to emissions reductions and net zero; the Biodiversity Strategy and new delivery plans; Land Reform legislation; a Natural Environment Bill; National Park Frameworks; the second

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phase of Regional Land Use Partnerships; a Land Use and Agriculture Just Transition Plan; a National Good Food Nation Plan, a Scottish Food Commission and Local Food Strategies.

I hope this gives you a flavour of the breadth of issues facing the industry. Whilst we remain committed to working with the Scottish Government to help deliver many of the outcomes you seek, we also need your support and commitment on the following issues:

### **1: Increased, multi-annual and ring-fenced commitment on future funding**

NFU Scotland seeks your unequivocal commitment to an increased, multi-annual and ring-fenced funding for agriculture. This support and investment in Scotland's farmers and crofters is critical if we want to ensure our food security, support a prosperous economy, respond to the climate challenge and help biodiversity recover and flourish. A multi-annual commitment on future agricultural support will provide the certainty needed for businesses to invest and innovate.

Within this, we seek your commitment to continue to allocate 80% of future support as direct support to agriculture. Any erosion of this direct support seriously risks undermining farming and crofting businesses across Scotland and would be to the detriment of businesses within the wider supply chains that are reliant on vibrant farming and crofting businesses. Agriculture is the lynchpin of rural communities.

### **2: Food production at the heart of future agricultural policy**

NFU Scotland calls on the Scottish Government to put food production at the front and centre of future policy. An Agriculture Bill that rewards agricultural activity, drives efficiency and productivity while building resilience and enhancing our environment will deliver the Scottish Government's aspirations on food security and supply.

There are currently unanswered questions on the details of future agricultural policy. While we welcome that the Scottish Government has committed to there being no cliff edge for farmers and that direct payments will continue, the sector needs more supportive policy signals on food production that will drive efficient agricultural activity and support the Government's wider aspiration to grow the food and drink industry. This would generate confidence and investment in the short and long term and support the Government's targets for climate and biodiversity.

### **3: Good Food Nation Act that delivers for primary producers through a 'Scottish First' policy**

NFU Scotland calls on the Scottish Government to ensure the Good Food Nation (Scotland) Act delivers for Scottish agriculture and the wider food and drink sector through the commitment to a 'Scottish First' policy.

We welcome the Good Food Nation Act and believe that it can be a force for good, stimulating more local sourcing across the public sector and showcasing the very best of local produce and shortening supply chains. The Government has a tremendous opportunity to show genuine leadership by adopting a 'Scottish First' policy through the National Food Plan that will shortly be consulted on, embedding a culture across the public sector of local sourcing.

#### **4: Urgent review of the regulatory burden on Scotland's agricultural sector**

NFU Scotland asks that an urgent review is undertaken by the Scottish Government to assess the range of policy and legislative measures emerging over the coming year and review the cumulative impact on farmers and crofters.

Scotland is already renowned across the world as clean, green producer of world-class food and drink, underpinned by our agricultural industry. Over the coming years we have a tremendous opportunity to strengthen this reputation and establish our position as a world-leader in climate-friendly production. For this to happen, we need a policy and legislative environment that supports producers on that journey.

Currently, there are a number of policies and legislative measures on the horizon and the cumulative impact could be significant for the industry if not developed and implemented effectively, compounding the severe external challenges already being faced. As such, NFU Scotland asks that an urgent review is undertaken by the Cabinet Secretary.

#### **5: Raising the profile of Scottish Agriculture and Supporting Local**

NFU Scotland asks the Scottish Government to help to raise the profile of the farming sector across government, parliament and society as a whole. Agriculture is the lynchpin of rural communities across Scotland and is an important part of Scotland's booming food and drink industry. Our sector is a major contributor to green economic growth and we provide and support thousands of jobs across a vast supply chain.

Yet what we do can often be taken for granted. So we must to do more to recognise and celebrate the role agriculture plays in Scottish life and we seek your support to help raise its profile so that our value is understood by civic society and help inspire the next generation of people into the industry. You can help in many ways, but initially by ensuring its importance is well-understood across all aspects of Scottish Government.

As part of raising the profile and celebrating the industry, we seek your help to stimulate more demand for Scottish produce across a range of markets. You will know that the retail and food service markets across Scotland and wider UK are vitally important for Scottish agriculture and there is so much potential and consumer demand for more Scottish produce to be listed and showcased. That said, fundamental to this, is the fair treatment of producers. We are price takers, not price makers and are being continually squeezed. Retailers need to be held more accountable as without a fair reward, it will result in less domestic production and more imports.

We believe the Scottish Government has a key role to play in helping us engage retailers and food service companies and we would be keen to discuss some further ideas to deliver this.

I know that we are scheduled to meet in the coming weeks and I very much look forward to discuss these issues further. Your commitment to support these issues is of vital importance to secure a sustainable, resilient and profitable agricultural sector for Scotland and I look forward to working with you to achieve that.

Yours sincerely,

A handwritten signature in black ink that reads "Martin C. Kennedy". The signature is written in a cursive style with a large, stylized 'M' and 'K'.

Martin Kennedy  
President NFU Scotland