
Our Strategic Policy Priorities
Our Key Asks



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Context - Ongoing Realities...

- ❑ Post-Covid – government resources, economic recovery
- ❑ Post-Brexit – future support, the TCA, UKIM, FTAs, people, etc.
- ❑ Political priorities – health & social welfare, green agendas...where's agriculture?
- ❑ Geo-political - global markets - input costs & output prices
- ❑ Climate & biodiversity 'crises'
- ❑ Public interest, public goods...public funding or private costs?
- ❑ Consumer attitudes/behaviors – processor/retailer actions

Politics & Economics...

Politics...

- ❑ UK elections 2024
 - ❑ new Labour Govt.?
- ❑ Scottish elections 2026
 - ❑ new political landscape?
- ❑ Bute House Agreement (v2?)
- ❑ Devolved vs reserved issues
- ❑ SG-EU alignment
- ❑ UK-EU divergence

Economics...

- ❑ Interest rates
 - ❑ the cost of money
- ❑ Inflation rates
 - ❑ the cost of living
- ❑ Domestic markets – fairness in supply chains
- ❑ International markets and FTAs
- ❑ Labour supply & wage inflation
- ❑ Land availability & affordability

The Scottish Policy Context Cluttered, Chaotic or Choreographed? Threat or Opportunity?

- ❑ **In Scotland...** Agriculture and Rural Communities Bill, Future Support Framework & Funding; Good Food Nation Act; Scottish Biodiversity Strategy & Natural Environment Bill; Species Protection Bill; National Peatland Plan; Forestry Strategy & Forestry Grants; Land Reform Bill; Land Rights & Responsibilities; RLUPs; National Parks; Land Use Strategy 3; Draft Climate Change Plan Update; Energy Strategy & Just Transition Plan; Land Use & Agriculture Just Transition Plan; Wildlife Management & Muirburn Bill; Fair Work; National Planning Framework 4; Economic Strategy; Hunting with Dogs Act; Environment Strategy; National Performance Framework...

‘No Woman Is An Island...’

- ❑ In the UK
 - ❑ Agriculture and RD funding beyond 2024 - ???
 - ❑ UK Internal Market Act
 - ❑ UK Subsidy Control Act
 - ❑ UKG and devolved policies – farm support, regulatory divergence, etc.
 - ❑ FTAs – Australia, New Zealand...CPTPP...Canada
 - ❑ The movement of people - migration
- ❑ In the EU
 - ❑ Member States, new Member States (Ukraine?), the new CAP, changing policy (e.g. glyphosate, NGTs, etc.?)

What?...So What?...What Next?...

- ❑ **What...**
 - ❑ The rapidly changing and uncertain operating context for our members and Scottish agriculture
- ❑ **So What...**
 - ❑ We must engage to influence outcomes in the best interests of our members and Scottish agriculture...
 - ❑ ...The Vision and Purpose of NFU Scotland
- ❑ **What Next...**
 - ❑ Absolute clarity of our strategic policy priorities and our key asks
 - ❑ Action from those in place to act

Our Vision and Purpose

- ❑ Our **Vision...**
 - A sustainable and profitable future for Scottish agriculture
- ❑ Our **Purpose...**
 - To support our members and positively influence the operating environment for Scotland's farmers and crofters
- ❑ Policy influence lies at the core of why we exist and what we do
- ❑ We aim to maximise our **impact** through **effective** policy and market **influence**



Our Strategic Policy Priorities...

- ❑ Our agreed Policy Priorities are
 - ✓ **Future Support** - Activity driven and adequately funded measures
 - ✓ **Fairer Supply Chains** - Improved margins in existing and new markets
 - ✓ **Rural Economy** - Opportunities for enterprise and business development
 - ✓ **Better Regulation** - Legislation and regulation that is enabling and proportionate
 - ✓ **Public Perception** - Connect with people through education and awareness
 - ✓ **Effective Conservation** - Balance in the delivery of biodiversity
 - ✓ **Optimal Land Use** - Through an integrated approach
 - ✓ **Climate Change** - Recognition and reward for climate actions
- ❑ There is significant overlap across many/all of the Policy Priorities

- ❑ What we want and why...
 - 8 strategic policy priorities
- ❑ What we need...
 - 34 asks of others
- ❑ Actions...
 - From governments, agencies, etc.



**STRATEGIC
POLICY PRIORITIES
AND KEY ASKS**

Scottish agriculture is under severe pressure. In recent years, farmers and crofters have faced spiralling costs of production, continuing labour shortages and more extreme and volatile weather, whilst output prices across most commodities have remained static at best. Margins continue to be under significant pressure as supply chains and market behaviours are driven by food prices as retailers focus on consumers rather than primary producers.

As farmers and crofters seek to respond to these challenges, they also face an unprecedented level of policy and regulation as Governments in both Holyrood and Westminster pursue agendas to tackle significant social and environmental issues which Scotland's farmers and crofters are uniquely placed to respond to.

As the dominant land use in Scotland, active farming and crofting is the key to helping meet climate and biodiversity needs while underpinning rural communities and producing food of the highest quality.

Agriculture is also the backbone of Scotland's wider food and drink industry – a sector that's worth £16 billion to the Scottish economy, employs 130,000 people, and supports Scotland's national reputation on the world stage.

The next few years will be pivotal for Scotland's farmers and crofters. If the Scottish and UK Governments, and their agencies, take a positive and pragmatic approach to policy it will enable a sustainable and profitable future for Scottish agriculture – not least for the next generation and beyond. In turn, this will support thriving communities, given their economic and social reliance on the industry.

A successful and prosperous Scottish agricultural industry is key to a successful and prosperous Scotland.

NFU Scotland's Vision and Purpose

Whilst there have been many changes in farming and crofting over the years, the one thing that has remained consistent is our steadfast commitment to supporting our members and the relentless pursuit of a better future for Scotland's farmers and crofters.

As a result, our Vision is clear: A sustainable and profitable future for Scottish agriculture.

Our Purpose naturally follows: To support our members and positively influence the operating environment for Scotland's farmers and crofters.

Policy influence lies at the core of why we exist and what we do. Our stated aim is to maximise our impact through effective policy and market influence.

There is no doubt that our task will be even more challenging in the years ahead, given the significant volume of policy and regulatory proposals emerging from both the Scottish and UK Governments that will have significant implications for Scottish agriculture. Equally, market challenges are becoming more acute, with farmers and growers' margins being relentlessly squeezed.

Strategic Policy Goals and Key Asks

Our pursuit of a sustainable and profitable future for Scottish agriculture means we must set out and broadcast our overarching policy goals. We also need others to deliver on clear actions that will help to realise our policy goals and, ultimately, deliver thriving farming and crofting sectors.

As a result, farmers and crofters will deliver the economic, environmental and social outcomes which governments and communities aspire to.

We have identified eight strategic policy goals and key asks which are set out on the following pages.

Future Support

Activity driven, accessible and adequately funded measures

We want an effective transition to a new framework of support based on financial stability and practical and effective management options to deliver on high-quality food production, climate, biodiversity and rural development goals.

To help that happen, we need:

- The next UK Government to commit to an increased, ring-fenced, multi-annual agriculture and rural development budget for the UK. The increase in funding

should be at least £1 billion and over at least a five-year period, with Scotland's share being at least 17 per cent.

- The Scottish Government to allocate at least 80 per cent of Scotland's share of the ring-fenced budget as direct payments through Tiers 1 and 2 of the new support framework.
- The Scottish Government to retain financial stability for farmers and crofters through Tier 1, including coupled and disadvantaged areas support.
- Tier 2 to provide practical non-competitive options which reward existing good practice and enable all farms and crofts to make a telling contribution to climate and nature goals, as well as producing high-quality food.
- Tier 3 to include significant funding for capital investment in the storage, processing and marketing of agricultural products, on and off farm, to enable shorter supply chains and increase opportunities for added value. Tier 3 must also create opportunity for new entrants and developing agricultural businesses, as well as targeted agri-environment measures aimed at specific habitats, species and designated sites.
- Tier 4 to complement all the other tiers of the new support framework by providing effective, practical advice to all and develop skills across farming and crofting to embrace innovation.





Fairer Supply Chains

Improved margins in existing and new markets

We want to see improved and sustained producer returns across all sectors through fairer supply chains, increased processing capacity, greater collaboration and better promotion.

To help that happen, we need:

- The UK Government and devolved administrations to implement the powers available in the Agriculture Act 2020 to introduce effective new regulations which will empower producers* and growers* negotiating positions and work towards enabling fairer prices, transparency and accountability across the supply chain.
- A comprehensive review of labelling regulation across the UK in order to provide greater transparency for consumers. As part of this, support for a new labelling initiative that would clearly identify food products where more than 50 per cent of ingredients are sourced from outside the UK. This would complement the integrity driven by quality assurance.
- The Scottish Government to ensure the Good Food Nation (Scotland) Act 2022 delivers for Scottish agriculture and the wider food and drink sector through commitment to a 'Scottish First' policy.
- A further review of the role of the Groceries Code Adjudicator (GCA) and the Groceries Code of Practice (GCoP) with a view to extending the remit and scope to cover the full supply chain.
- A new duty to be placed on retailers across the UK to produce an annual report providing details on their local sourcing policies, number of local suppliers, percentage of local products sold, their payment terms to local suppliers, etc.
- The UK Government to publish an annual Free Trade Agreement (FTA) assessment to quantify the cumulative impacts of FTAs and introduce a formal process of developing and establishing core production standards that apply to agri-food imports.

Rural Economy

Opportunities for enterprise and business development

We want to enable the full potential of agricultural and land-based businesses through a reformed planning system, improved connectivity and infrastructure etc., to further underpin thriving rural communities.

To help that happen, we need:

- The Scottish Government and local authorities to develop and implement planning guidance to generate growth of a variety of rural businesses. In turn, this will drive investment in rural areas, provide jobs and build diversity and resilience within the rural economy.
- The Scottish Government to provide increased and dedicated financial assistance, and bespoke guidance, to farm-based diversification projects to help realise the full potential of agritourism, renewable energy generation etc. in shaping the future prosperity of rural economies and communities.
- The Scottish Government to deliver effective infrastructure, such as reliable ferry services, road improvements and better digital connectivity to support rural and island communities as well as rural business growth.
- The UK Government to introduce a minimum five-year rolling seasonal workers scheme, with a suitable length visa and no cap on worker numbers, while the Scottish Government ensures Fair Work commitments do not disadvantage Scottish agricultural businesses within the UK internal market.

Better Regulation

Legislation that is enabling and proportionate

We want to ensure relevant legislation and regulation creates opportunities for agricultural and rural businesses to thrive, without punitive or unintended consequences.

To help that happen, we need:

- The Scottish Government, and regulatory agencies such as SEPA and NatureScot, to review existing and future legislation relating to agriculture, land use and the environment to ensure business impacts are fully understood – for example, the Water Environment (Controlled Activities) (Scotland) Regulations, and the application of the Habitats Directive and Birds Directive in Scotland.
- All regulators associated with agricultural, land use and environmental activities to take a more pragmatic and collaborative approach of awareness raising and guidance, rather than any presumption of fault, in the context of compliance.
- The Scottish Government to introduce simpler application, verification and inspection processes in the context of new agricultural support measures and immediately introduce proportionality to any future penalty regime.
- The introduction of a new food security impact assessment for all policy introduced by the UK and Scottish Governments which affects Scottish agriculture.

Public Perception

Connect with people to change perceptions

We want to increase society's awareness and appreciation of farming and crofting's unique role in providing high quality, safe and affordable food whilst also delivering a host of wider public benefits.

To help that happen, we need:

- The Scottish Government and its agencies, together with stakeholders, to support a new public-facing campaign to raise awareness with consumers on where food comes from and the vital role of active farming and crofting plays in delivering a host of economic, environmental and social benefits.
- Make 2025 the Year of Farming and Crofting in Scotland (in line with the 'themed' years concept in Scotland) and facilitate a series of national and regional events to celebrate the industry and enhance the connection with the public.
- The Good Food Nation (Scotland) Act 2022 to drive greater levels of local sourcing across the public sector, with the Good Food Nation Plan prioritising locally produced, high-quality food via annual plans for public sector bodies.
- Local authorities to include elements of agriculture and food production in their schools' curriculums and fully engage the resources available through the likes of the Royal Highland Education Trust (RHET).





Optimal Land Use

An integrated approach to land management

We want to ensure land use and land reform policy is centred on land management for the delivery of complementary outcomes while promoting economic activity as the basis for sustainable land use.

To help that happen, we need:

- The Scottish Government to prioritise optimal and integrated land use through pragmatic policy measures, rather than promote binary land use choices. The full implications of land use related environmental policies must be properly understood through rigorous cost-benefit analysis and must ensure the delivery of public goods is not funded at private cost.
- The Scottish Government and the Scottish Land Commission to ensure land reform recognises the unique role that farmers and crofters play in land management and to develop and implement policies and processes that empower and enable agricultural businesses to focus on responsible land management.
- The Scottish Government and Scottish Forestry to adhere to a presumption against woodland creation on productive (not just 'prime') agricultural land, with an emphasis on farm woodlands that add value to an agricultural business whilst delivering on climate and biodiversity objectives.

Effective Conservation

Balance in the delivery of biodiversity

We want to safeguard farming and crofting interests within policy measures intended to protect and enhance habitats and wildlife to ensure agricultural land management remains central to flourishing environments.

To help that happen, we need:

- The Scottish Government, through NatureScot, to enable practical management and mitigation measures through effective funding and licensing which fully addresses any costs and damage caused by protected species to both agriculture and biodiversity, including white-tailed eagles, geese and beavers.
- The Scottish Government to ensure that effective and humane predator control remains a legitimate and practical means of preventing agricultural damage whilst enabling habitats and species dependent on agricultural practices to flourish.
- The Scottish Government to ensure there is both the scope and funding within both Tiers 2 and 3 of the new agricultural support framework to ensure active farming and crofting continues to nurture biodiversity without compromising agricultural interests.



Climate Change

Recognition and reward for climate actions

We want future support to enable agricultural practices to reduce emissions, sequester carbon, and mitigate against and adapt to climate change through incentives and advice rather than regulation.

To help that happen, we need:

- The Scottish Government to host a major summit to highlight the implications of climate change policy on farming and crofting, and identify and deliver actions focused on adaptation as well as mitigation.
- The Scottish Government to deliver practical, properly funded and accessible measures through the new support framework, particularly Tiers 2 and 3, to drive enterprise efficiencies and profitability. These measures should also aim to help reduce greenhouse gas and ammonia emissions, and to properly account for the carbon in soils and peatlands utilised by farmers and crofters to produce high quality food in Scotland.
- The UK and Scottish Governments to make food security an explicit priority by committing to sustainable domestic agricultural production rather than a reliance on importing food that would result in exporting emissions, together with environmental and animal health and welfare responsibilities.
- The 'green' requirements of both the Scottish Government's future support measures and those of the supply chain (i.e. processors, retailers and quality assurance) to perfectly align and ensure any costs falling on the primary producer are fully covered either through support funding or improved market returns.

So What?...What Next?...

- ❑ In 2024 (and beyond) we will be seeking direct responses and appropriate actions
- ❑ Policy makers and decision takers have direct influence the sustainability and profitability of farmers and crofters
- ❑ Our job is to set out your needs, wants and concerns...
- ❑ ...and to offer effective, deliverable policy options that result in the outcomes we need

Everything we do must take us a step closer towards a sustainable and profitable future for Scotland's farmers and crofters.



NEU Scotland