A New Agricultural Policy For Scotland Post-Brexit

CHANGE

A discussion document
Our vision: For Scottish agriculture to be profitable, innovative and efficient with farmers and crofters securing a fair return from supply chain partnerships allowing less reliance on direct support.

NFU Scotland is the largest representative organisation for farmers and crofters in Scotland and this is our vision for 2027. This discussion document sets out our thoughts on an ambitious strategy and will depend upon the commitment between farmers, crofters, the supply chain and government to succeed. We want your views. The first steps to CHANGE start now.

The negotiations to leave the European Union will undo over 40 years of agricultural policy – presenting significant challenges for everybody living in rural Scotland and working in Scottish agriculture. But the opportunities are also immense. Taking new market opportunities along with a new domestic agricultural policy can move us to a situation where market returns exceed the costs of production and Scottish farmers and crofters are less reliant on direct support. Our target is ambitious, but firmly within our capabilities.

There is much about our industry we can be proud of. The taste and quality of Scotland’s diverse larder reflects the time, effort and care that our farmers and crofters take to produce food. We care about what we produce, the people who produce our food, the communities we underpin and the environment we cherish, as well as our customers.

CHANGE. The opportunity exists to start the process now to develop a different, refreshed system which can create opportunities for the people who rear and grow our food to have a prosperous future, and to contribute even more to Scotland’s success.
So how do we deliver this future? How do we set ourselves on the path to where we want to be in 2027? How do we put the foundations in place that will make Scottish agriculture profitable, innovative and efficient with farmers and crofters securing a fair return from supply chain partnerships, allowing them to be less reliant on direct support?

We can unlock our ambition by focusing on three drivers that will deliver our vision:

- A Fairer Supply Chain
- A Supported Transition
- Developing Our People

**A Fairer Supply Chain**

Individually and collectively, farmers want to be valued in their supply chains and to be represented at all levels. The benefits of getting this right for the national and rural economy are vitally important. A nation which values good food and drink should also value its production.

Farmers, the supply chain and governments must work together to:

- Build progressive supply chains which translate into equitable margin shares and manage price volatility.
- Develop new markets in Scotland, the rest of the UK and abroad that value Scotland’s premium products.
- Give consumers the choice to support Scottish and buy local with transparent origin and provenance labelling.
- Establish a public procurement policy which strongly advocates the positive principles associated with sourcing food and drink from Scotland.
- Promote an education system that reinforces the importance of local and fresh food in homes, schools, and in the workplace.
A Supported Transition

The UK Government has already committed to providing equivalent funding to the UK agricultural industry until 2022. We must start to look at future delivery models now.

We need a future agricultural policy focused around:

• Financial stability payments;
• Productivity improvements; and
• Environmental benefits.

The balance between these three elements, and in particular the importance of financial stability payments, is related to the outcomes of trade negotiations.

It is crucial that transitional arrangements are introduced to build confidence and certainty for farmers and crofters. For that to happen we need:

• Policy must reward the active, productive and efficient farmer and crofter. We want to incentivise innovation that will allow farming and crofting businesses to be dynamic, resilient and able to adapt to new opportunities.
• Direct support measures will remain vital for the stability of some agricultural businesses alongside mitigation tools to alleviate the impact of volatility.
• Trade is paramount for Scottish farmers and crofters. Continued access to Europe is important and any unilateral lowering of tariffs must be avoided.
• The Great Repeal Bill must enable legislative changes to remove unnecessary compliance costs from Scottish agriculture without compromising our ability to trade or the returns we get from the marketplace.
• The superior quality and provenance of Scottish produce provides an opportunity to develop markets at home, in Europe and globally – adding significant value to local and national economies.
• NFU Scotland will work tirelessly to ensure that the possible impact that free trade arrangements could have on UK producers are understood by negotiators. Trade with the rest of the world must be balanced – with the same conditions applying to imports and exports.

Developing Our People

Average farm incomes have fallen by 75 percent over the last five years, leaving farming families a return of just £12,600. We must ensure that family farms continue to be the bedrock of Scottish agriculture. Those involved in farming and crofting must be properly rewarded. We must also ensure that we have a ready and able workforce that have the skills required to work in our industry.

We need new ways into the industry and to build on the leadership and entrepreneurial skills of our farmers and crofters.

Growing our domestic food production provides jobs, adds further value to UK GDP and will continue to provide us all with safe, quality and affordable food.

In order to achieve this we must:

• Deliver a regulatory framework that moves agricultural businesses from farming for compliance to farming for the market.
• Invest in new and existing talent to make farming and crofting a rewarding destination of choice for young people.
• Create and implement a controlled fixed-term work permit scheme for agriculture and horticulture available for non-UK workers.
• Provide investment for innovation and productive technologies.
• Work with land-based colleges to promote and provide industry-led, relevant technical skills that are needed now and in the future.
Delivery Model for a New Agricultural Policy

For farming and crofting to prosper we seek change and a new bold domestic agricultural policy which is suited to Scotland and will make agriculture profitable, innovative and efficient. Change is inevitable, but change must be managed and not chaotic.

The UK’s new agricultural policy must be geared towards active and sustainable agriculture and encourage positive change. Future support should incentivise farm businesses to be dynamic, resilient and able to adapt to new opportunities.

We seek a system that provides financial stability, that rewards the risk and decision taker, while delivering good environmental management and improved productivity. It is also vital that a future system underpins the social and environmental contributions of farming and crofting, as well as the role they play in Scotland’s economy and the food and drinks sector.

Direct support will remain a vital component for many, especially in the short-to-medium term. It will act as a buffer to protect productive capacity as new trade and labour arrangements are negotiated, agreed and put in place.

Under NFU Scotland’s proposals, direct support would be based on eligible payment hectares focusing on agricultural activity. For more disadvantaged areas, these payments would be enhanced by top-ups based on existing fragility markers. There would also be a need for coupled support for vulnerable sectors whose socio-economic contribution is of major importance to Scotland.

Direct support would be complemented by a suite of productivity and environmental options which would offer real, practical choices to every farm and croft.

For example, management and capital measures could cover positive action for soils, over-wintered stubbles and other farmland biodiversity, agronomic input efficiencies, animal welfare, and livestock productivity improvements.

Over time the weighting of area-based support to productivity and environmental actions will shift. That rate of transition will be dependent upon emerging trade deals and improvements in the food and drink supply chain.

Better and stable market returns, then faster transition. Poorer or volatile market returns, then transition is paused.

This is a support system – flexible enough to reflect changing contexts, simple enough to be delivered.
NFU Scotland - Make Your Voice Heard

No sector will be more directly affected by Brexit than ours and things are going to change. The role of the Union in representing your views and protecting your interests has never been more important.

We need to hear from you.
Tell us what your priorities are when it comes to delivering the best deal for Scotland’s farmers and crofters.

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