

Date of meeting : 7 September 2018  
Time : 10:30am  
Venue : Boardroom, NFU Scotland, Rural Centre, Ingliston  
Committee : Next Generation  
In attendance : Mark Donald, Sarah Allison, Peter Moss, Bruce McConachie, Adam Wright, Matthew Steel, Iain Livesey, Gordon Caldwell, Colin Ferguson (Conference Call), Jenny Brunton (NFUS), Emma Bradbury (NFUS), Jonnie Hall (NFUS), Andrew McCornick (part), Martin Kennedy (part), Gemma Cooper (NFUS, part)  
Apologies : Andrew Orr, Catherine Sloan, Iain Wilson (SAYFC), David Cooper

## 1. Approval of minutes for previous meeting

- The Next Generation Committee minutes for the June meeting were approved by Bruce McConachie, this was seconded by Adam Wright.

## 2. Chairman's Report

- Chairman Mark Donald provided an overview to the group of ongoing correspondence with the Cabinet Secretary for the Rural Economy, Fergus Ewing and MSPs.
- Mark highlighted the profile of the group within the press and Peter Moss and Gordon Caldwell both offered to do Farmer's Guardian articles.
- Mark noted the increased activity of the group including events being held in every region.
- It was stressed that the group need to continue to encourage activity and involvement via branch and regional meetings and encourage urge others to attend and have their voice heard.

### **3. Request for AOCB**

- The closure of the Food Processing, Marketing and Co-Operation scheme was discussed with it agreed that **Jenny would raise this with MSPs**. Jenny highlighted that it has not been announced as closed but instead there has been no confirmation that there will be another round of applications.
- It was raised that regions are concerned about the new legislation from SEPA regarding the burning of plastics. NFUS continues to gather information on what services are currently in place and the group was asked to feed into this.
- An AECS scheme has not been announced as yet and the lack of payments this year is not encouraging. This will be fed into the ELU Committee.

### **4. Regional Updates**

- North East – Successful Share Farming event held in May and it is positive to see that there are opportunities there and people are looking to release land.
- Dumfries and Galloway – ‘Planning for Success’ event where there was lots of support for those actively farming. Take home message was ‘Do not set your own barriers’. There are opportunities there but people must be willing to sometimes compromise and move for prospects. Disappointed by regional support. Would like to raise profile of Next Gen in region and possibly have another event.
- Orkney – Over 60 people attended the joint event with FAS, SLC and NFUS. Mixture of people which added to the event success and people are looking at long term future of their farm.
- **Action – Request a Next Gen update at Regional Board meetings.**

### **5. Gemma Cooper – Legal and Technical Policy Manager**

- The group was provided with an in-depth update of tenancy reform and upcoming changes to legislation. Gemma provided an overview of different tenancy templates including repairing tenancies.

- The announcement of 750 hectares of land to be released to new entrants in the Scottish Government's Programme for Government was discussed with the group welcoming this announcement but more details are needed. Contact would be made with FES and the FONE group to request more details.
- With previous FES Starter Farms it was raised that units are not often of a scale that is viable and no options when out on tenancy. When units are not taken on what happens?
- Recognition from the group that models such as share farming and other joint ventures are good opportunities.
- The group was vocal in their opinion that people need to embrace opportunities and be willing to try something new.
- Issues and queries with the starter farms from FES are to be raised by Jenny at the next FONE meeting.

## **6. New Entrant Capital Grant Scheme**

- The closure of the New Entrant Capital Grant Scheme came as a blow to the Next Generation group and members expressed their disappointment in the support available from the Scottish Government for young people in farming and crofting.
- The group was updated on discussions with SG and correspondence to the Cab Sec.
- A concern is that succession will stagnate as people will hold out for the possibility of future schemes before handing businesses down generations.
- The group will continue to highlight the injustice of a 10 day window for applications before the closure of the scheme and will seek assurances that those locked out or unable to claim are eligible in any future schemes.
- The group will engage on future schemes and present to SG their proposals on schemes that will be of genuine benefit to the industry.

## **7. SAYFC Invitee Status**

- The group proposed changing the current Terms of Reference to extend an invitation to any two representatives from SAYFC instead of the current invitation to only the Chair and Vice-Chair of Agri-Affairs. The hope is that this will provide consistency and enable NFUS and SAYFC to build a constructive relationship as there are many areas of mutual interest.

## **8. Share Farming Update**

- Policy Manager Jenny Brunton provided an update on the ongoing work to highlight joint venture models including share farming. A 'share farming hub' is under development which will include a guide, comparison with other models, a case study and a matching service. Discounted rates for both lawyers and accountants are being agreed for members. A formal launch is expected in the coming months.

## **9. Brexit Survey**

- An update on where we currently are politically with Brexit and on NFUS activity and engagement was circulated to the group in July. This included a selection of questions on future agriculture support which was to identify areas where further discussion was needed.

The issues identified in the survey were; Capping, Action based support, Productivity and environmental measures

- NFUS Director of Policy Jonnie Hall and Vice- President Martin Kennedy outlined NFU Scotland's document, 'STEPS FOR CHANGE: A New Agricultural Policy for Scotland' where Financial Stability payments continue to form a foundation for agricultural support, but that increased budget should be targeted toward measures which deliver environmental and productivity benefits.
- The group was shown how productivity and environmental measures would work in practice with examples of how different enterprises would meet these requirements.

- The shift in payments would support the risk taker and move to action based support. The group agreed with these proposals.
- The group suggested that the Norwegian model of payments should be looked into as the annual allocation of funds between stability payments and productivity measures based on changes to weather etc places farmers in a better place.
- This model is self capping
- The group stated their full support to proposals from NFUS on future agriculture support.

## 10. Objectives of the Next Generation Working Group

NFUS Next Generation Group has prioritised the below three measures as of high importance for the future of Scottish agriculture and which will contribute to a dynamic and prosperous industry for current farmers and crofters and prospective new entrants. These will be built upon and formally launched.

1. The Next Generation group would like to see in future agricultural support a '*Next Generation Business Development Scheme*' and a '*New Business Start Up Scheme*' which helps genuine recipients through a pragmatic application system including applicants presenting before a panel of independent industry figures.
  - Details on proposed schemes will be discussed on 20 September and discussed further with both the Next Gen group and the wider NFUS team.
2. The Next Generation group is fully supportive and advocates the measures outlined within "STEPS FOR CHANGE: A New Agricultural Policy for Scotland". While the group does not agree with a blunt capping system, the group would promote that future agricultural support contains the frontloading of payments. This would recognise that all businesses have certain fixed costs that are not scale dependant.
  - A formal proposal for the introduction of the frontloading of payments will be drafted

3. The Next Generation group believes that taxation is the key to a dynamic and fluid land sector in Scotland and would be of significant merit in improving land movement and reform in agriculture. The Irish Government introduced substantial increases in Income Tax relief from 2015 on the arm's length letting of farmland for more than five years. In the first year of the increased relief, the let land area rose by 50%, and that the second-year figures from 2016 tax returns show a continued impressive response.

Jeremy Moody – 'Encouraging agricultural land lettings in Scotland for the 21st century' further argues the case for tax incentives as a driver for land reform.

- The Next Generation group will produce a paper outlying their proposals and the merit that they see of a new taxation system.

<https://landcommission.gov.scot/wp-content/uploads/2018/04/Land-Lines-Letting-Land-Jeremy-Moody-April-2018.pdf>

## **11. Date of Next Meeting**

20 September - Mark Donald, Sarah Allison and Jenny Brunton are meeting at Dobbies Garden Centre, Perth at 3PM. Any members of the group are welcome to attend.

21 November – Next Generation Committee Meeting after Agriscot. Time tbc

8 February 2019 – Next Generation AGM

## **12. Dates of Interest**

16 – 18 November 2018 - SAYFC Agri & Rural Affairs Conference

6 -8 February 2019 – NFUS National AGM and Conference