Scottish Food & Drink Production in the Context of Key Policy Drivers

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The future's not what it used to be
Real Agricultural Support falling

- **Expectations** on land managers rapidly growing
- **Budget for support / incentives** falling after inflation adjustments
- **Is the budget sufficient** to fund, sustainable food & drink production, climate mitigation & adaptation and nature recovery?
Important role in rural economy

Replacement for LFASS?

Scope 3 V National Inventory

• Which Net Zero?
  • Scope 3 approach or National Inventory approach?

• Who owns CO2e mitigation credits?
  • Nat Inventory – does not matter who owns carbon credits (peatland code / woodland code, etc) for Scotland plc
  • S3 – ownership of C matters in private sector to avoid double counting (major fear in agriculture sector) – but how will this all work?
Nature Restoration

• Targets coming in Natural Environment Bill?
  • Alignment with agricultural policy structures – Tiers 2 and 3?
  • 30 by 30
  • Costs borne by?
• What are the most effective interventions?

Agriculture Bill

• Sector looking for detail that will not be in the Bill
  • 2025 is 15 months away

• Lots of policy detail to be provided and legislated for over next 2 years
  • e.g. conditions (cross compliance or enhanced), budget allocations to Tiers, specifics of support schemes, etc
  • EU alignment?

• Perfect should not be the enemy of good – trade-offs will be required

• If it is too costly to comply – Scottish Government targets may be at risk
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