



T : 0300 244 4000
E : scottish.ministers@gov.scot

Juliet Caldwell
juliet@scotlink.org

Our Reference: 202400440874
Your Reference: SCOTLINK

12 December 2024

Dear Juliet,

Thank you for your letter dated 13th November regarding Farm Funding and the Scottish Budget

I note and thank you for your valued comments and observations which I will address below.

The Agriculture and Rural Communities (Scotland) Act 2024 which received royal assent on 30th July 2024 provides the powers required to provide support to our farmers and crofters which in turn will allow us to deliver sustainable and regenerative agriculture and high quality food production, as set out in our Vision for Agriculture. The five overarching objectives are key to realising that vision, delivering on our commitment to support agriculture and rural communities.

- (a) the adoption and use of sustainable and regenerative agricultural practices,
- (b) the production of high-quality food,
- (c) the promotion and support of agricultural practices that protect and improve animal health and welfare,
- (d) the facilitation of on-farm nature restoration, climate mitigation and adaptation, and
- (e) enabling rural communities to thrive.

We are actively engaged in co-development and co-design with rural partners to the develop future support structures and delivery. This is essential to ensure there are no cliff edges and supporting our farmers and crofters to a just transition.

I share your frustration at the loss of ringfenced agricultural funding. The UK Government has imposed a short-term Barnett settlement, contrary to the Bew Review recommendation for collective engagement to agree the principles of future intra-UK allocations. It fails to provide the uplift called for by stakeholders and it

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot



fails to reverse the real terms cuts of previous years.

It is wholly inappropriate to apply a population-based formula for land-based support, as it fails to recognise Scotland's greater share of UK land mass and the potential of that land to contribute significantly to the UK's climate and nature restoration targets.

We share the frustration of stakeholders and the wider farming industry over the complete lack of engagement from the UK Government on these changes, which will penalise Scottish farming.

However much we would like to deliver a multi annual settlement, we only have financial information for one year and no line of sight beyond 31 March 2026.

The UK Government must now set out how and when meaningful four nation engagement will take place in order to inform the UK Government Spending Review process.

The Scottish Government remains committed to maintaining direct payments to provide vital stability and we will continue to co-develop our new support framework in partnership with farmers, crofters and land managers to improve the sustainability of farming.

Agri-environment Climate Scheme

The Scottish Government remains firmly committed to tackling the twin crises of climate change and biodiversity loss and recognises the importance that the natural environment plays in all of our lives. We have continued to prioritise agri-environment support in the face of significant financial pressure, following decisions about Scotland's funding made by the UK government level.

As announced in February, £27 million is to be awarded from 2024 over the next five years to 517 businesses who were successful in the 2023 AECS Round. Whilst financial allocations for forthcoming rounds will be determined by future budgets, AECS is expected to continue to 2026 to deliver elements of Tier 3 until new Elective Support is implemented from 2027.

Organics

With regard to the comments on organic farming I can tell you that since the Agri-Environment Climate Scheme (AECS) was launched in 2015, over £317 million has been committed to over 3,000 businesses to fund a range of activities that help to maintain and enhance Scotland's rich and varied natural environment. Of the £317 million, over £37 million has supported 638 organics contracts, seeing the area of converted and maintained organic land under AECS management increase by over 50,000 Ha between 2021 and 2024 equating to roughly 71% since 2021.

To further support the considerable investment already made through AECS organic contracts, we continue to work with organic stakeholders and industry to establish a new Scottish Organic Action Plan. The plan will aim to deliver sustained growth of the organic market, through targeted and achievable actions, and funding required to deliver the outcomes sought is being considered alongside the other wide-ranging priorities within the Agriculture portfolio.

KTIF / AKIS

You ask for additional funding for advice and training. As you will be aware, the allocation split across all of the four tiers has not yet been announced and we therefore do not know how much will be given to Tier 4, "complementary" which supports skills, knowledge, training and CPD (continuing professional development), the key components which will be delivered through an Agricultural Knowledge and Innovation System (AKIS). The AKIS will include support for both advice and training, which, at present are provided through a

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1
3DG
www.gov.scot



INVESTORS IN PEOPLE™
We invest in people Silver



number of channels such as the Farm Advisory Service (FAS) and the Next Generation Practical Training Fund.

It is important that current support is able to support the transition to nature and climate friendly farming. The FAS is currently providing a range of knowledge support which will help support these two activities and it will continue to do so between now and Tier 4 coming into operation in 2027. This has been including a number of events such as farm wildlife walks which promote grass-roots conversations around nature conservation and the positive impacts of nature-friendly farming practices in combating the biodiversity crisis as well as case studies, articles and other publications, webinars and podcasts, amongst other outputs. As we work toward 2027 – and also beyond it – we will continue to work with stakeholders to see what further support is needed to help farmers and crofters make this transition.

You mention the Knowledge Transfer and Innovation Fund (KTIF). This fund is an important part of our support for innovation and knowledge transfer projects. As we work towards Tier 4 coming into operation, we will look to see whether it continues to be the best way to provide this support, or whether there are other ways that could better deliver it. We will continue to work with stakeholders to help shape this future support and the funding mechanisms.

Third Party funding

I acknowledge your comments on third party funding and can say that we are currently exploring potential options for supporting collaborative landscape-scale management to benefit the environment under the future Agricultural Support Framework as we recognise that collaboration between land managers can support outcomes at scale.

I hope these commitments provide some reassurance on our commitment to deliver the vision for agriculture under the objectives of the Agriculture and Rural Communities (Scotland) Act 2024.

Yours Sincerely,



SHONA ROBISON

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1
3DG
www.gov.scot



INVESTORS IN PEOPLE™
We invest in people Silver

