



OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Rural Affairs and Islands Committee

Wednesday 20 November 2024

Session 6



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Wednesday 20 November 2024

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RURAL AFFAIRS AND ISLANDS COMMITTEE
29th Meeting 2024, Session 6

CONVENER

*Finlay Carson (Galloway and West Dumfries) (Con)

DEPUTY CONVENER

*Beatrice Wishart (Shetland Islands) (LD)

COMMITTEE MEMBERS

- *Colin Beattie (Midlothian North and Musselburgh) (SNP)
- *Ariane Burgess (Highlands and Islands) (Green)
- *Tim Eagle (Highlands and Islands) (Con)
- *Rhoda Grant (Highlands and Islands) (Lab)
- *Emma Harper (South Scotland) (SNP)
- *Emma Roddick (Highlands and Islands) (SNP)
- *Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- John Armour (Scottish Government)
- Jim Fairlie (Minister for Agriculture and Connectivity)
- Brian Service (Scottish Government)

CLERK TO THE COMMITTEE

Emma Johnston

LOCATION

Committee Room 2

Scottish Parliament

Rural Affairs and Islands Committee

Wednesday 20 November 2024

[The Convener opened the meeting at 09:01]

Decision on Taking Business in Private

The Convener (Finlay Carson): Good morning, everyone, and welcome to the 29th meeting in 2024 of the Rural Affairs and Islands Committee. Before we begin, I ask those taking part to ensure that all their electronic devices are switched to silent, and I should say that Beatrice Wishart, Rhoda Grant and Emma Roddick are all participating remotely this morning.

Agenda item 1 is a decision on taking business in private. Does the committee agree to take items 4 and 5 in private?

Members *indicated agreement.*

Subordinate Legislation

Rural Support (Improvement) (Miscellaneous Amendment) (Scotland) Regulations 2024 [Draft]

09:02

The Convener: Agenda item 2 is consideration of an affirmative Scottish statutory instrument. I welcome to the meeting Jim Fairlie, Minister for Agriculture and Connectivity, and the following Scottish Government officials: Brian Service, who is agricultural reform programme lead for cross-compliance; John Armour, who is branch head of the livestock production policy unit; and Lewis Kerr, who is a lawyer.

I invite the minister to make a short opening statement.

The Minister for Agriculture and Connectivity (Jim Fairlie): Good morning to you, convener, and to the committee. Thank you very much for having me today for your consideration of these regulations.

The regulations were laid using powers conferred by the Agriculture (Retained EU Law and Data) (Scotland) Act 2020 that enable us to improve the operation of assimilated European Union law applying to our common agricultural policy legacy schemes. They will improve the operation of the provisions of common agricultural policy assimilated EU legislation by introducing new cross-compliance requirements as part of good agricultural environment conditions relating to the protection of peatlands and wetlands, and by introducing a new eligibility requirement for bovine animals under the Scottish suckler beef support scheme.

The changes are intended to contribute to tackling the climate crisis, and the improvements that are being made as a result will address environmental matters of concern as part of our plans to transition from existing CAP legacy schemes to the introduction of the new schemes under the Agriculture and Rural Communities (Scotland) Act 2024. The changes contribute to the Scottish Government's green conditionality objective for 2025 for provisions ensuring climate, biodiversity and efficiency conditions for payments as part of our published agricultural reform programme route map.

The regulations have been drafted to come into force from 1 January 2025 so that they can be enforced for the 2025 scheme year and can start contributing to the fight against climate change as soon as possible. Failure to bring them into force for the 2025 scheme year will undermine that progress and the efforts and work of many of our

farmers and crofters who are already committed to making these improvements; it would also hinder our transition plans.

I am happy to take any questions that the committee might have.

The Convener: Thank you very much, minister. The policies that we will make a decision on this morning are already in place, and what we are doing is, in effect, applying conditionality to deliver some of the outcomes that the Government wishes to see. How exactly will the new regulations on the SSBSS tackle climate change?

Jim Fairlie: This conditionality was originally part of the thinking of the farmer-led groups that were chaired on the beef sector. As the committee will know, there were five farmer-led groups; one of the issues that was being examined was beef efficiency, and reducing the calving interval was, through work that the groups had carried out, designated as the best way of reducing emissions for the beef sector. A number of other areas were looked at, but this was the approach that was plumped for.

Reducing the calving interval means, in effect, that cows are in the system while producing beef but are not emitting emissions when they are, as it were, blank. If a cow is running for a year without a calf, she will produce a lot of methane without producing any beef for the food sector. That was the thinking behind it.

The Convener: You are talking about a cow being barren or whatever for a year before being put into calving. The success of this measure, then, will be that, as soon as a cow is outwith the calving index, she will be culled. Have you done any work on whether that is actually practicable? Will you get every farm with a cow that looks like it will be outside the 410-day threshold to cull the animal? After all, if it is not removed, just taking the payment away will not reduce methane output. How will you ensure that the approach delivers, and that cows that are barren and, as you say, on the ground, potentially, for a further year without producing any beef get taken out of the system?

Jim Fairlie: The farmer will decide whether they want to keep a barren cow, knowing that, even if she does get in calf the following year, they will not get a payment for that calf. I know from being a suckler herd owner in a past life that having a barren cow for a year was bad enough, but if I knew that I was not going to get a payment for her calf the following year, I would certainly have to consider whether I was going to keep her.

You might have reasons for wanting to keep a particular cow; they might have a particular genetic background that you want to hold on to, for example, or there might be some other mitigating rationale for why you would want to keep her—she

might have stood on a calf or whatever—but it will not be our job to go around and check for barren cows. We will be making the payment on the calves that meet the eligibility criteria, which will encourage farmers to reduce the number of passengers that they keep in the herd, as it will affect their economic viability. Therefore, our job will be to ensure that we are making payments on the calves that are born into the scheme, as opposed to forcing people to cull cows that we think are inefficient.

The Convener: You have touched on quite an important topic. We have world-leading breeding stock in Scotland. Does this approach not penalise those who might be trying to improve their herd or the genetics, by disincentivising them from keeping a cow for that period? Are there any mitigating circumstances in which a high-value, pedigree cow that loses a calf in some of the circumstances that you have alluded to will not be penalised?

Jim Fairlie: No. There will be the potential of force majeure in particular instances—I am not going to go through all the hypotheticals in that respect—but there will be no mitigation for, say, a cow that happened to have cost 15,000 guineas getting penalised in year 2, because she did not have a calf in year 1. Those will be business decisions for farmers. We are looking at the national herd on a national basis and at how we can bring the whole herd's emissions down. The best way of doing that is, as we have already decided, through the calving interval. There will be no individual interventions for high-value cows just because they have a high value.

The Convener: This will be my final question, as I know that Rhoda Grant's questions are similar to my line of questioning.

The policy notes suggest that the

“calving interval threshold may reduce in future years, but it will not reduce by more than 10 days in any given year.”

How will that have an impact? The fertility cycle of a cow is more than 10 days, so how is the threshold calculated? It is not calculated on individual animals, surely. Is it calculated on a herd average? Individual cows get the payment removed—the minister is smiling because he knows exactly where I am coming from. Why is it 10 days when, surely, it would be more sensible to connect the threshold to the fertility cycle of a cow?

Jim Fairlie: That depends on the fertility cycle of a particular cow. An Angus has a shorter gestation than a Limousin, Jerseys have a longer gestation than Friesians. You do not want to get into breeds—this is about simplicity. The median calving index, at the moment, is 400 days; we have set a relatively high threshold of 410 days.

As time goes on, we will reduce the calving index as the national herd gets into that system.

We deliberately kept the threshold at 410 days for this year and next year to allow people to adapt—to get that mindset and thinking—and it will reduce over time. Rather than getting into the complications of what breed, what season, whether the cow calved early and so on, the idea is straightforward: a threshold of 410 days, which will be reduced to 400 days and then 390 days as the process goes on. We bring the national herd calving index down, which reduces emissions.

Rhoda Grant (Highlands and Islands) (Lab): I have concerns about that, because it tends to work against small herds, especially those on poorer land. Grass-fed animals are a better carbon sink, so this one-size-fits-all policy will create more carbon emissions in some areas, as well as welfare issues for cattle that are not ready to breed. Farmers might be forced to have them breed, because they would otherwise lose out on the money. Has the minister given any thought to derogations for small herds and herds on more difficult land, so that practices that are much more nature-friendly are not be shut out of the scheme, which would be an unintended consequence that nobody would want?

Jim Fairlie: Well, I do not agree with the premises that small herds would be shut out of the scheme or that farmers will force a cow to get into calf. If a cow is not going to cycle, she is not going to cycle—you cannot force her to get into calf. Lots of consultation took place with lots of stakeholders right across the sector, and there was general agreement that the system would work.

As we get into the system, if we later need to look at particular issues for the smaller producers that you have talked about, we might be able to do so. However, there was general consensus that this is the system that would work and that we would go with.

Rhoda Grant: There are concerns, though, that native breeds and the like have a longer gestation period, and that the regulation could work against them. Waiting to see whether small farmers who are breeding cattle go out of business to determine whether the scheme is working is counterproductive because, once those animals are gone, they are gone, and we would be looking to force farmers to slaughter cattle way before they should be. While the cattle are alive, they are a carbon sink.

Jim Fairlie: Steven Thomson of Scotland's Rural College—SRUC—did some work on whether native breeds had a longer gestation. They do not—Angus have a shorter gestation than Limousins do. I raised that point, because I was always under the impression that native-bred

cattle had a longer gestation than other breeds, but that is not the case. Professor Thomson has done extensive work on the matter, and he has proven that point.

We would not look to put people out of business, and I am sure that Rhoda Grant accepts that that is not what we are trying to do. However, we need to start somewhere. We are starting at 410 days to allow everybody to get into the system and the ways of working with it.

I fully accept that there is potential for smaller herd sizes to be more directly impacted if a number of cows are not in calf for some reason. That is why I mentioned to the convener that we will look at potential force majeure issues. However, I will not sit here today and work through all the hypotheticals, because we will need to consider a number of factors. With regard to the smaller producers whom you talk to and represent, I absolutely take on board your point and note that we are thinking about that.

09:15

Rhoda Grant: I will push you further on that point, because it is a really important consideration for me in deciding whether to support the instrument. How can someone raise concerns? I am not asking you to go into every possible circumstance in which there could be a derogation, but this issue could be the difference in relation to whether a herd can continue. How can someone trigger the process to get the Government to look again at the matter, and how quickly can that happen? For example, if, this year, we end up with a number of small farms that cannot meet the requirement, how can someone get the Government to look at that and get the derogation in place? Those small farms do not have the ability to wait it out.

Jim Fairlie: As I said, I will not go through all the potential force majeure issues. However, let me make this point—

The Convener: Minister, I will intervene, because a key issue for stakeholders was the need for a comprehensive and clear provision for force majeure issues, particularly in relation to herds that are affected by circumstances that are beyond their control. You have said three times that you will not go into those issues, but when force majeure would kick in was actually one of the main concerns, so it is obviously an important matter. Those concerns were raised during the summer, and we are now looking at approving an SSI that will come into force in January. Therefore, we now need that level of detail to give comfort to those farmers who might be affected by something that is outwith their control.

Jim Fairlie: Force majeure issues will be dealt with as individual cases at the time. However, the other point that Rhoda Grant made, which is important to talk about, is that the quantum of money for the sector is not going to go down—it is what it is. I think that that pot of money is sitting at £40 million. If farmers have fewer calves that are being claimed on, the value of the calves that are claimed on will be higher. Therefore, this is a way of taking out of the system cows that are not producing calves, with the calves that are born getting a higher payment. The process might not balance itself out exactly, but it will certainly be a better payment for an individual calf that is born—rather than a calf that was not born, if that makes sense.

Rhoda Grant: Those maths do not really work for a small farm that has lost 5 to 10 per cent of its income because of this system. Having a slightly higher level of payment for the rest of the calves does not make up for that. I am not asking for every circumstance in which the force majeure process might apply; I am asking how the process is triggered. How can a farmer who is faced with a situation that will be devastating to their business go to the Government and say, “I need you to look at this”?

Jim Fairlie: I will ask John Armour to come in on that. He was part of the discussions with the stakeholder group, so he might be able to answer in a way that will give you some satisfaction.

John Armour (Scottish Government): Hi, everyone. Our colleagues in the rural payments and inspections division spoke to NFU Scotland about force majeure issues, and, on the rural payments and services website, to provide additional information on how the force majeure process works, we published an updated question in the frequently asked questions document along with the scheme guidance for the SSBSS.

The approach to force majeure issues, as it was under the CAP, is that theoretical cases are theoretical and that force majeure issues are dealt with case by case by our colleagues in area offices and in the rural payments and inspections division at Saughton house.

However, NFU Scotland was comforted by the additional language that we put in the guidance. Unfortunately, I do not have the answer to hand, but I refer the committee to the FAQs under the SSBSS guidance on the website for additional information on the process.

Rhoda Grant: Have you spoken to the Scottish Crofting Federation about that, as well? It will impact more of its members than NFUS members.

John Armour: The livestock production policy branch has had conversations with the Scottish Crofting Federation, which was included in the

stakeholder group that advised us in developing the policy and which met between September and November 2013.

Latterly, the primary concern for the Scottish Crofting Federation has been the small herd issue, which you have mentioned, particularly in relation to herds of 10 cows or fewer or claims for 10 calves or fewer. Steven Thomson’s analysis shows that it is possible for small herds to have cows that can meet the calving interval condition of 410 days, but that, historically, such herds have a lower percentage of cows that meet that condition.

That is why we are offering support through the MyHerdStats dashboard—so that farmers and crofters can look at their herd’s performance, identify where they are falling short and put solutions in place. On islands, there are additional circumstances to do with ferries and bulls that impinge on their ability to meet the calving interval condition. Again, we are getting into theoretical questions about which situations would fall under a force majeure process and which would not.

Rhoda Grant: I have one point of clarification. Is it the case that, if we do not agree to the instrument today, the scheme will continue but without the new conditions being applied?

Jim Fairlie: Is that correct?

John Armour: That is correct.

Tim Eagle (Highlands and Islands) (Con): Good morning. I have a few questions. The first is a point of clarification. If a cow slips and goes over the calving interval and then has a calf, there will not be a payment for that calf but, if the cow has a calf in future within the 410 days, there will be a payment. Is that correct?

Jim Fairlie: Yes, it is not disqualified from the scheme forever—it is only for that one slip.

Tim Eagle: Okay, that is fine—it is possible to do that.

With autumn calving, slips are much more likely in percentage terms. At that time, it is much less likely that the calving interval that you propose will be met. That is a worry, is it not, because we want distribution of stock coming to market across the year. Have you taken any evidence, or do you have any concerns about, the risks of calving at certain points in the year? An SRUC study suggested that 63 to 65 per cent of late autumn calves would meet the 410-day threshold, which means that around 40 per cent of late autumn calvers might not meet that condition.

Jim Fairlie: Yes, work was done on seasonality, but I think that the consideration was more about the period between autumn calving and spring

calving and whether those calves might drop out of the system.

I ask my officials whether any work was done specifically on autumn calving herds.

John Armour: We discussed autumn and spring calving in the stakeholder group. Again, we got into a discussion about the appropriate threshold to take into account all systems in all areas, if we are introducing it in year 1. We got to 410 days as an appropriate threshold, taking spring and autumn calving into account. However, it is correct to say that autumn calving cows are more likely to be the ones that slip. Finding the appropriate threshold is a balancing act.

So that we are sure that we give you the right answer, can you repeat the first question, please?

Tim Eagle: My question was on that point. I was looking at the evidence, and it is a very difficult issue, is it not? I get Rhoda Grant's point that farming varies quite significantly across Scotland. If we are talking about the north-east corner of Scotland, we can argue that there are traditional spring and autumn calving herds. Therefore, the spring calving herd is potentially more likely to meet the 410-day threshold, whereas the autumn calving herd might not—or a lower proportion of them would meet that.

Is there a risk that management changes in the long term might involve a shift more towards spring calving? What effect might that have in relation to stock coming to market? I am not suggesting that that will happen, but I am curious about whether that has been factored into any of your discussions. It sounds as though it has.

John Armour: Yes, it has. We are clear eyed that the market plays a big role. With regard to having a level profile, which is important to abattoirs, the market should have a role in influencing people's decisions about whether to autumn calve as opposed to spring calve and the potential rewards for that. However, clearly, our priority is about identifying the wasted emissions from cows not being in calf.

Tim Eagle: I think that I know where you are coming from on that. You are trying to make it as efficient as possible to meet the target. The question is how it works in practice in the industry.

Is there a risk of misrecording? Could farmers start registering calves that then die so that they can get within the 410 days? Is that likely?

Jim Fairlie: That was discussed, was it not?

John Armour: We have discussed that with stakeholders, who recognise that there is a potential change to the approach that farmers take to recording births.

The traceability rules have not changed. They have a degree of flexibility in that, if a calf dies within the first 28 days, I think—we can clarify that—the farmer does not have to record it if they have not already done so. That does not mean that farmers should wait until the 28th day to record all births. Some farmers might want to consider their approach to complying with the regulations, but we emphasise the point that those regulations have not changed and that farmers are familiar with them and have been for a long time.

Could you repeat your first question, on the second calf?

Tim Eagle: Do you mean the first question that I asked?

John Armour: Yes.

Tim Eagle: That was on heifer calves. That is fine, because they get the payment. In the second year, if a calf is born within 410 days, it attracts the payment. If that cow then slipped—if it did not have a calf that year but had one the following year—that would then not get the payment, because it would be outwith the 410 days. It would be 600 days or whatever. However, if it had a calf the following year within the 410 days, that would get the payment again. Is that correct?

John Armour: That is correct. I was not sure whether you were referring to the cow losing the calf as opposed to having a calf.

Tim Eagle: Yes. I just wanted to check that the cow could come back in. If someone had a pedigree cow with great genetics, they could keep that on and, ultimately, it would get the payment again.

Rhoda Grant's point is significant. We have full-time farmers who can drive efficiency and change. We see that a lot in our industry. As we saw in London yesterday, farmers are really trying to push forward and want to work with Governments. However, we also have lifestyle farming. We see that on the west coast, on the islands and in our crofting communities, where the farmer often works away on other jobs.

The SRUC evidence suggests that the calving intervals are less likely to be met in some of our more crofting communities. We do not want to risk further pushing away the herd in those areas. The statistics suggest that the herd is going down quicker on our island communities.

What thought have you given to that, minister? If we were to approve the regulations and we were to see significantly less issue on the islands, would you be prepared to come back and say that we might need to tailor a specific scheme to help our islands and crofters?

Jim Fairlie: I have my own thoughts on that, but I will let John Armour answer.

John Armour: We will monitor the herd performance as a result of the change that the regulations introduce. The scheme has already had some of those concerns built into it from the start. It is one of the longest-running schemes that we have. The original beef calf scheme and its successor—the Scottish suckler beef support scheme, which we are talking about—have been in place in one form or another for 21 years relatively unchanged. The scheme has an island budget and a mainland budget built into it. The island budget means that the rate per calf on the island is higher than it is on the mainland.

The scheme was created to support livestock production in remote and rural areas and across Scotland—as we know, it is important in almost every parish in the country. The introduction of the conditionality is to incorporate the additional priority that the Parliament and the Government have of addressing the climate crisis. It will be for ministers to monitor whether that drives forward the balance of the priorities of supporting rural communities, island communities, food production and climate mitigation.

Tim Eagle: I will throw in one more thing. I think that you said that you will look to the future and monitor the scheme, and I guess that you would want to, because I presume that we would all want to see our island and crofting communities, as well as our traditional agricultural communities, thrive. You spoke about the calf payment going up. Is the money for the Scottish suckler beef support scheme ring fenced?

09:30

Jim Fairlie: Is that right, John?

John Armour: Yes. It is £40 million.

Jim Fairlie: It is £40 million and it is already in the system.

Tim Eagle: On the future of voluntary coupled support, am I correct that that will run up to 2028?

Jim Fairlie: Yes.

Tim Eagle: What are your thoughts on what will happen post that date? You are introducing the scheme now, but we are only three or four years off that date. What would that support look like in future? Will the scheme carry on? What will any scheme for voluntary coupled support look like?

Jim Fairlie: You are asking me to look three years into the future. I do not know what the support would look like in three years' time. Every time that I speak to committees and to farming communities, I stress that I want to do everything that I can to protect the beef sector to ensure that

it is viable and has a critical mass so that Scotland can continue to produce top-quality beef. That is my aim. We will have to balance that alongside the other challenges that we face, but I will always be thinking about how we ensure that the industry's viability is stable or that it improves.

Tim Eagle: I asked you that question because we do not yet have the rural support plan. We have the agenda that the Government would like to go on, but we do not yet have the detail. We, and our farmers in particular, are questioning what is coming. They are wondering, "What avenue do I take? How do I take that? If I go down this route now as I plan for my business, what will the scheme come out with?" That is what I am worried about. Coupled support is important in parts of Scotland and, to be fair, probably all of Scotland. I am curious to see what your thoughts are on it.

Jim Fairlie: Your point is well made and it has landed.

Tim Eagle: Okay—thank you.

The Convener: I have a further question on the trajectory. The regulations suggest that the calving interval will not reduce by more than 10 days in any given year. What is your target? Where do you want the calving index to end up? Ultimately, what will the regulations state about it having to be X, Y and Z?

Jim Fairlie: At the moment, the median average for 2021 is 400 days, but if we can bring that down further without causing damage to the herd, that would be a good thing, because it would mean that we would be even more efficient.

The Convener: Where would you want that to get to, and how will you use what is effectively a stick approach to ensure that the industry reaches that target? We could suggest that the optimal situation is for a cow to have a calf once a year, so the index would be 365 days. If that is what you are aiming for, how long do you intend to take to get there?

Jim Fairlie: We are going to monitor that as we go along.

John Armour: We are working with the industry to look at herd performance and genetic improvement. There are a number of key performance indicators, not just calving intervals, such as replacement rates and calf mortality. We are trying to look at all those things in the round. Some of them have been built into the modelling that our research colleagues have put in place for our net zero journey.

We want to work with the industry to see what it thinks its targets are for herd KPIs for 2030 and 2040, and to see where calving intervals fit into that. It is not just about getting the calving interval to a certain place; it is about ensuring that all the

indicators—and the right indicators—are moving in the right direction to reduce unnecessary emissions from livestock production, while ensuring, as we have discussed, that food is produced and that we have livestock on the islands and in our remote communities. At the moment, we do not necessarily have a target for national herd performance, but we know that the industry agrees with us that there is scope for improving the calving interval.

The Convener: I have a couple more questions. Fortunately, we might have to bring in Mr Service on my next point, which is on compliance. There have been anecdotal suggestions that calves were dying but farmers were falsely registering them to ensure that their dams had a certain calving index for 2025—a base year that was potentially unachievable. How did you monitor that? Was there a peak in calving registrations that did not fit with the normal pattern of registrations?

Jim Fairlie: Do you want to answer that, Brian?

Brian Service (Scottish Government): I do not have any information on the peaks.

John Armour: I can provide some information on that. In the profile of the registration of births and deaths for beef calves, there is a slight spike beyond 25 days and below 40 days. There has been some conjecture that that fits with the fact that, for the scheme, calves need to be on the holding of birth for 30 days. It also fits with the fact that there are different time periods within which the birth of beef calves and dairy calves need to be registered. For dairy calves, it is within a week, and for beef calves it is within around a month.

Therefore, what looks like an anomaly in the graph of the recording of births and deaths across the whole herd could be contributed to by the traceability regulations as much as the scheme. We have had discussions about that, and we are all keen that the scheme also helps to address the calf mortality issue. Clearly, the part about being alive on the holding of birth is there to make sure that the calf becomes a viable economic unit and that it, and the cow having the calf, are not wasted emissions.

To support that, over the past couple of years, we have been funding the MyHerdStats dashboard, which translates the birth, death and movement data that is held by ScotEID into key performance indicators for all cattle farmers in Scotland. That gives them information on their deaths, births, heifer retention and all the rest. It also usefully tells farmers which breeds of calves have higher levels of mortality. That can identify problems with the bulls and cows in question.

We are trying to address the issue of calf mortality. If you graph it, there is a spike in deaths in that period, but it is hard to say exactly what

causes that spike. There are a number of contributing factors.

The Convener: About a third of the total income of a suckler cow farm is directly related to the calf payment. How can you ensure compliance, and that we will not get fake or phantom registrations, particularly when it comes to cows that, as we have discussed before, have high value? Farmers want to make sure that the cow is productive on the farm, and they want to get a payment for that cow.

John Armour: Brian Service might be able to touch on this. We have significant infrastructure in place through our rural payments and inspections division. In certain cases, high numbers of deaths or things outside the normal pattern increases the risk that those farms are seen as having on the risk register. That makes them more likely to fall under a full farm inspection. The inspections regime is in place to address that issue, and it is robust.

The Convener: Finally on this topic, where are we with the computer system that will have to drive all this? Are we on the right route to get it up and running for the new payment systems? There were suggestions of IT issues. Are you happy with the IT system?

John Armour: For my part, in developing the policy for the new payment system, our colleagues in the rural payments and inspections division and our service design colleagues have worked with ScotEID to make sure that this particular reform is delivered without significant IT change.

Ariane Burgess (Highlands and Islands) (Green): The conversation on the SSBSS has been very interesting. I would like to pick up on the good agricultural and environmental conditions scheme piece of the Scottish statutory instrument. I am not going to directly pursue this SSI, because I appreciate that it is improving the prevention of damage to peatlands and wetlands, but I will pursue the underlying legislation that the SSI is built on.

We just passed the 2024 ARC act—I love that we call it that—which includes, as an objective,

“the facilitation of on-farm nature restoration, climate mitigation and adaptation”.

In speaking to farmers, I have found that they want to move in that direction, but they bump into situations where they cannot get funding to do the things that they want to do on nature restoration because the funding schemes have not caught up.

The specific SSI that we are discussing, and the GAEC—good agricultural and environmental conditions—scheme in particular, build on the Weeds Act 1959. The 1959 act mentions a number of plants that are now recognised as

beneficial. In 1959, they were weeds, and we had to get rid of them, but we now recognise that they are important for soil biology. Those plants include, for example, spear thistle, which produces quantities of nectar for, and entices, insects; creeping thistle, which is, again, important for insects; and docks, which are important for insect habitat and for soil biology.

Where I am going here is that, because the SSI is about cross-compliance, we need to look a bit deeper at what these SSIs are built on. I would love to get some assurance on that. Can the Weeds Act 1959 be devolved? Does the Scottish Government have domain over reviewing it, so that plants that we call weeds but which are in fact beneficial could be removed from the legislation? That is the type of thing that farmers are coming up against in trying to get funding. They might want to do something beneficial, but they cannot get funding, because those plants are still designated as weeds.

Jim Fairlie: You have gone way beyond the remit of the SSI.

Ariane Burgess: Yes, but we need to get underneath it, because we are basically building—

The Convener: We are here specifically to discuss the SSI, and it is probably unfair on the minister to go into any great detail in that area, as I think that you are asking him to do. In general, the direction of travel with regard to how the SSIs are going to be introduced is a valid point but, in this meeting, looking at schemes that might deliver certain outcomes is probably going a little bit further than the remit of this agenda item.

We can cover those issues broadly, but we can leave the detail to another session.

Ariane Burgess: Okay. If I can just wrap it up—

Jim Fairlie: I am quite happy to meet the member separately, outwith the committee session, but it is way beyond what we are looking at right now.

Ariane Burgess: I recognise that. However, I am trying to flag up an issue. We have this route map and we are making changes, and we have to move towards, as I said, the objective of

“on-farm nature restoration, climate mitigation and adaptation”.

However, I meet farmers who are coming up against financial difficulties because they cannot do what they want to do. At this point, I am just flagging that up, and perhaps asking for reassurance from you that you will take the matter away and have a look at the Weeds Act 1959.

Otherwise, we will be building a house of cards. We have legislation that is out of date and we are passing SSIs to try to get cross-compliance, and

we will find that that causes problems for people who want to move in the direction that the 2024 ARC act asks them to do.

Jim Fairlie: Okay—we will take that away. Brian Service has heard everything that you have said.

Ariane Burgess: He is the man for the job.

Brian Service: We will have a look at that—thank you.

Ariane Burgess: Thank you very much.

The Convener: I call Tim Eagle.

Tim Eagle: Thank you, convener—was I coming in at this point?

The Convener: I think that you were going to ask questions on—

Tim Eagle: Peatland.

The Convener: Yes.

Tim Eagle: Yes—sorry, minister. That had just gone out of my head. My computer crashed, which is sending me funny.

I apologise to the convener and the minister—I forgot to declare my entry in the register of members’ interests. I am a farmer, although I do not have cattle. I should have said that earlier, so apologies for that.

I have a quick question on peatland, minister. Timber extraction—unless I have missed it—is not explicitly mentioned in the regulations, but there might be instances in which roads would need to be built. Wind turbines are mentioned, but not timber. Has that come across your thoughts?

Jim Fairlie: No, but I will pass over to Brian Service with regard to where that sits.

Brian Service: Yes—it would probably come under the exemption for permitted development, which relates specifically to roads and to buildings. Looking at the bigger picture, the majority of timber companies are not claimants, so they will not be subject to the requirements.

Tim Eagle: Okay—I see what you mean. That is fine; thank you.

09:45

The Convener: I have a question. We know that some pretty productive land sits adjacent to wetlands and peatlands. Will the GAEC standards restrict farmers’ ability to ensure that the land stays in production? Drains have to be maintained and activities carried out to ensure that productive land gives the returns that it has given in the past. Will the instrument in any way impact farmers’ ability to ensure that good land is kept in condition?

Who will make that assessment? Will someone from NatureScot come out to assess planned drainage work or land levelling? Where are the boundaries? How do we assess whether there will be an impact, significant or otherwise?

Jim Fairlie: We want to maintain and restore peatlands and wetlands. As you know, that is the purpose of the GAEC standards. We are concerned about actions that would dry out or damage those areas. Any use of adjacent land that would dry out those areas will be subject to regulation and will be part of any overall inspection that a farmer is subject to. That is when the assessment will happen.

The Convener: Are we effectively creating a baseline? Will we look at peatlands and wetlands as they are now and try to keep them in that condition, or will we strive to improve them? I am thinking about land that is currently productive and needs drainage to maintain it. Will that be impacted in future?

Jim Fairlie: I will let Brian Service answer that.

Brian Service: Any cross-compliance will be at a minimum standard to protect existing habitats. Improvements and restoration fall to other tiers within the route map.

The Convener: As members have no further questions, we will move to formal consideration of motion S6M-15262, on approval of the instrument. I invite the minister to move the motion.

Motion moved,

That the Rural Affairs and Islands Committee recommends that the Rural Support (Improvement) (Miscellaneous Amendment) (Scotland) Regulations 2024 [draft] be approved.—[*Jim Fairlie*]

The Convener: No members wish to debate the motion. Is the committee content to recommend approval of the instrument?

Members: No.

The Convener: There will be a division.

For

Beattie, Colin (Midlothian North and Musselburgh) (SNP)
Burgess, Ariane (Highlands and Islands) (Green)
Carson, Finlay (Galloway and West Dumfries) (Con)
Eagle, Tim (Highlands and Islands) (Con)
Harper, Emma (South Scotland) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)
Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)

Against

Grant, Rhoda (Highlands and Islands) (Lab)

Abstentions

Wishart, Beatrice (Shetland Islands) (LD)

The Convener: The result of the division is: For 7, Against 1, Abstentions 1.

Motion agreed to,

That the Rural Affairs and Islands Committee recommends that the Rural Support (Improvement) (Miscellaneous Amendment) (Scotland) Regulations 2024 [draft] be approved.

The Convener: Is the committee content to delegate authority to me to sign off our report on the instrument?

Members indicated agreement.

The Convener: I thank the minister and his officials for joining us. We now move into private session.

09:48

Meeting continued in private until 10:13.

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