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Rural Affairs and Islands Committee

Subordinate legislation considered by the Rural Affairs and Islands Committee on 20 November 2024

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Rural Affairs and Islands Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Rural Affairs, Land Reform and Islands, with the exception of matters relating to land reform, natural resources and peatland, Scottish Land Commission, Crown Estate Scotland, and Royal Botanic Garden.



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Executive Summary

- 1. This report details the Rural Affairs and Island Committee's consideration of The Rural Support (Improvement) (Miscellaneous Amendment) (Scotland) Regulations 2024 [draft].
- 2. The Committee agreed by division to recommend to the Parliament that it approve the instrument.

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The Rural Support (Improvement) (Miscellaneous Amendment) (Scotland) Regulations 2024

- 3. The Rural Development (Continuation of Operation) (Miscellaneous Amendment) (Scotland) Regulations 2024 [draft] were laid in the Scottish Parliament on 28 October 2024 and are subject to the affirmative procedure. The draft instrument is laid under the Agriculture (Retained EU Law and Data) (Scotland) Act 2020 and was referred to the Rural Affairs and Islands Committee for consideration.
- 4. The policy note states that these regulations would make modifications in order to "improve the operation of the provisions of assimilated law" relating to the Common Agricultural Policy (CAP). The modifications relate to the Good Agricultural Conditions (GAEC) and the Scottish Suckler Beef Support Scheme (SSBSS).
- 5. The regulations introduce new cross-compliance requirements as part of the GAEC concerning the maintenance of soil organic matter. The activities affected by the changes are listed in the policy note. According to the policy note, the changes will help address environmental and climate concerns by preventing peatlands and wetlands being damaged by certain activities.
- 6. The regulations will also introduce a new eligibility condition for a calving interval threshold of 410 days to the SSBSS, beginning in 2025. The policy note states that the addition of this condition "is designed to help balance productivity and profitability with the opportunity to address climate impact of emissions". The policy note also explains that this calving interval threshold may be reduced in future years, but not by more than 10 days in any given year. Details of any future change must be provided in advance.
- 7. The policy note includes a summary of consultation undertaken on the instrument, impact assessments carried out, and the anticipated financial effects. The policy note states that the Scottish Government is undertaking "regular informal consultation" with the ARIOB, the Food and Agriculture Stakeholders Taskforce (FAST) and other organisations.

Wider context of the instrument

- 8. The Scottish Government has been designing a new approach to Scottish agriculture policy post-Brexit with a view to replacing the current CAP arrangements. The legislative framework to deliver these changes was enacted through the Agriculture and Rural Communities (Scotland) Act 2024 ('the 2024 Act'). The regulations are the start of changes to existing schemes in 2025, as part of the Scottish Government's Agricultural reform route map. Further changes to schemes will be introduced in 2026. The policy note for this instrument states that these regulations "will also assist beneficiaries by starting the transition towards future schemes that will be established under the ARC [Agriculture and Rural Communities (Scotland)] Act".
- 9. The SSBSS is worth around £40 million to beef producers across Scotland. It is

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intended that the scheme will run until at least 2028. The SRUC's 410-day calving interval report indicated that calving interval performance improved between 2015 and 2023. In 2023, approximately 87% of total dams met the 410-day calving interval. The report illustrates that in 2023, under the 2025 scheme changes, the payment rate per calf would have been higher due to lower number of eligible calves. Some stakeholders expressed frustration during the Government's consultation. The Scottish Beef Association raised concerns around weakening confidence. The NFUS worked with the Government to establish a force majeure and exceptional circumstances (e.g bull failure) exception.

10. The Minister for Agriculture and Connectivity wrote to the Committee on 13 November 2024 to set out how this instrument relates to the broader transition towards a new system of agricultural and rural support payments under the Agriculture and Rural Communities (Scotland) Act 2024. The Minister stated in the letter that these regulations "mark the end of the period of 'stability and simplicity', and the start of the phased transition into our future support framework". The letter also gives notice that a separate regulation will follow to introduce the whole farm plan requirement.

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Delegated Powers and Law Reform Committee consideration

 The Delegated Powers and Law Reform (DPLR) Committee considered the instrument at its meeting on 12 November 204 and reported on it in its 65th Report, 2024. The DPLR Committee made no recommendations in relation to the instrument.

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Rural Affairs and Islands Committee consideration

- 12. The Committee took evidence on the instrument from the Minister for Agriculture and Connectivity and Scottish Government officials at its meeting on 20 November 2024.
- 13. The Minister explained that the purpose of the draft instrument is to "improve the operation of the provisions of common agricultural policy assimilated EU legislation by introducing new cross-compliance requirements" for the protection of peatlands and wetlands and to introduce "a new eligibility requirement" for bovine animals under the Scottish suckler beef support scheme. The Minister went on to state:
 - 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.
- 14. A summary of the key themes explored by the Committee during the evidence session are discussed below.

Reduction to the calving interval

- 15. The Minister told the Committee that the proposed reduction in the calving interval to 410 days would incentivise a fall in emissions produced by bovine animals. He stated that a lower calving interval would mean "that cows are in the system while producing beef but are not emitting emissions when they are, as it were, blank", whereas "[i]f 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".
- 16. The Minister explained that the 410 day figure would apply to all breeds nationally for "simplicity". He went on to set out that the Scottish Government has "set a relatively high threshold of 410 days" in comparison to the median calving index of 400 days in 2021. The Committee heard that the 410 day threshold would be maintained "for this year and next year to allow people to adapt to get that mindset and thinking" but it would then reduce further "to 400 days and then 390 days as the process goes on".
- 17. When asked about the expected trajectory of further reductions in the calving interval under the regulations, the Minister said "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". An official added that the Scottish Government would consult with industry on targets for herd KPIs for 2030 and 2040 "and to see where calving intervals fit into that". The official stated that there is no target for national herd performance and that the aim "is not just about getting the calving interval to a certain place; it is about ensuring that all the indicators ... are

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moving in the right direction to reduce unnecessary emissions from livestock production".

- 18. The Committee asked about the potential impact of the regulations on farms with smaller-herds and on islands. The Minister accepted 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" and that the Scottish Government would therefore "look at potential force majeure issues". He added that "[f]orce majeure issues will be dealt with as individual cases at the time". An official told the Committee that the Scottish Government is "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".
- 19. The Minister confirmed that in the case of a cow losing a calf, the cow is disqualified from the scheme only during the year in which the calf is lost and not indefinitely.
- 20. The Committee was told that the administration of the proposed new eligibility condition to the scheme would be delivered "without significant IT change".

Restricted activities on and adjacent to peatland

- 21. The Committee asked whether development for timber extraction would qualify for similar exemptions under the regulations as given to wind farms. An official told the Committee that such activities "would probably come under the exemption for permitted development, which relates specifically to roads and to buildings", but they added that "the majority of timer companies are not claimants, so they will not be subject to the requirements".
- 22. On whether the regulations would restrict activities on agricultural land adjacent to peatland, the Minister confirmed that "[a]ny 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". An official added that "cross-compliance will be at a minimum standard to protect existing habitats" and that improvement and restoration activities would "fall to other tiers within the route map".

Conclusion

23. After giving evidence, the Minister moved motion S6M-14345 -

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

- 24. The motion was debated by Committee members. It was then agreed to by division (7 For, 1 Against, 1 Abstention).
- 25. The Rural Affairs and Islands Committee recommends that the Rural Support (Improvement) (Miscellaneous Amendment) (Scotland) Regulations 2024 [draft]

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be approved.

