OFFICIAL REPORT
AITHISG OIFIGEIL

Rural Affairs and Islands Committee

Wednesday 8 March 2023

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

Wednesday 8 March 2023

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RURAL AFFAIRS AND ISLANDS COMMITTEE
7th Meeting 2023, Session 6

CONVENER

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

DEPUTY CONVENER

*Beatrice Wishart (Shetland Islands) (LD)

COMMITTEE MEMBERS

*Karen Adam (Banffshire and Buchan Coast) (SNP)
*Alasdair Allan (Na h-Eileanan an Iar) (SNP)
*Ariane Burgess (Highlands and Islands) (Green)
*Jim Fairlie (Perthshire South and Kinross-shire) (SNP)
*Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con)
*Jenni Minto (Argyll and Bute) (SNP)
*Mercedes Villalba (North East Scotland) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Tim Bailey (Agriculture Reform Implementation Oversight Board)
Martin Kennedy (Agriculture Reform Implementation Oversight Board)
Anne Rae MacDonald (Agriculture Reform Implementation Oversight Board)
Kate Rowell (Agriculture Reform Implementation Oversight Board)
Vicki Swales (ARIOB Agriculture Policy Development Group)

CLERK TO THE COMMITTEE

Emma Johnston

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Rural Affairs and Islands Committee

Wednesday 8 March 2023

[The Convener opened the meeting at 09:00]

Future Agriculture Policy

The Convener (Finlay Carson): Good morning, everyone, and welcome to the seventh meeting in 2023 of the Rural Affairs and Islands Committee. I remind members who are using electronic devices to switch them to silent, please.

Our first item of business is pre-legislative scrutiny of Scotland's future agriculture policy. Today's evidence session is with members of the agriculture reform implementation oversight board and its agriculture policy development group. I welcome Martin Kennedy, Tim Bailey, Anne Rae MacDonald and Kate Rowell, who are members of the ARIOB, and Vicki Swales, who is a member of the ARIOB agriculture policy development group.

We have approximately 90 minutes for questions and discussion, so we will finish at approximately 10:30.

I will kick off the questions. What is the ARIOB's core purpose? How is it supporting policy reform? Can you also give an indication of the board's current work programme?

Martin Kennedy (Agriculture Reform Implementation Oversight Board): The ARIOB's core programme is obviously about future agriculture policy and how we will support the industry. I suggest that progress is probably slow right now, but, as I am sure others would agree, things are going in the right direction. We are talking about an agriculture bill, so the board's purpose is extremely important, because future agricultural support will be vital—first, in maintaining our ability to produce high-quality food, secondly, in addressing emissions reduction and, thirdly, in enhancing biodiversity, because it has been accepted that there has been a certain degree of biodiversity loss. The main driver of the ARIOB is the need to address all three issues: food, climate and biodiversity.

As I said, I accept that progress has been slow. We could have started earlier. On many occasions, I have said that we might need to let the industry lead this work, given that we are talking about agricultural support that is 100 per cent necessary to allow us to continue to produce the high-quality food that we are used to.

From a Scottish perspective, we are probably in the best place, to a certain degree, because, given our maritime climate, we have a fantastic ability to produce high-quality food sustainably. We have been doing that for a long time, and we feel that we sometimes do not get recognition for it.

Progress with the ARIOB has been slow, but things are going in the right direction. We are at a crossroads. If we get this right, we can showcase, right across the world, how Scotland produces food, reduces climate emissions and addresses biodiversity loss.

Kate Rowell (Agriculture Reform Implementation Oversight Board): I suppose that I do not need to tell anybody here how important agriculture is to the Scottish economy—not just the rural economy, but the whole Scottish economy. Agriculture touches every part of Scotland, including every local authority area and every constituency. It is the bedrock of our whole economy.

That is why it is so important to get future support right. Rather than do things quickly, we need to get it right. As Martin Kennedy said, progress has definitely been slower than the ARIOB would have liked it to be—it has also been slower than the industry asked for—but things are heading in the right direction. It is important that we get buy-in from the farming sector. That is a really important part of future plans. The co-design and co-development process is showing that the Government and the industry can work together to push things forward.

Overall, we are moving in a positive direction. However, as Martin Kennedy said, progress has been slower than most of us would have liked. We would like to be much quicker in starting all the good things that we know we can do.

The Convener: Tim Bailey, I put the same question to you. Why is it so slow? We have known since 2016 that we were going to need something to replace the common agricultural policy, and the climate and biodiversity crises are nothing new. Why has progress been so slow?

Tim Bailey (Agriculture Reform Implementation Oversight Board): First and foremost—it is important to state the obvious—at the end of the day, collectively, we are designing a made-in-Scotland agricultural policy. That is a hell of a change from where we have been. We had near enough 50 years of a common agricultural policy in which the rules, boundaries and everything else were fairly clearly set and through which our opportunities to do something for the good of our sector were a tweak at the edges. The fact that we can rip that up and start again has been—[*Inaudible*.]

From my point of view, it has been a little frustrating. Our approach should have been a bit more strategic, because the topic is so complex. That will have accounted for some of the delay. There has been an element of "How do we start?" and "What do we move on first?" However, I certainly support what Martin Kennedy and Kate Rowell have said. We are starting to get there.

The key benefit of the ARIOB process is the fact that a made-in-Scotland policy to tackle the climate emergency, restore more nature and maintain productive food systems can be produced only in consultation with the industry—which, ultimately, will have to implement and adopt it. We would be even further behind if the industry had not been involved in that process.

Anne Rae MacDonald (Agriculture Reform Implementation Oversight Board): Obviously, it has taken longer than, ideally, we would have liked, although when we started off—when we first met—we were still dealing with the repercussions of Covid, so there were limitations to having face-to-face meetings, which are always far more productive.

We are looking to build on the work that was done by the farmer-led groups. To a certain extent, those were a rather different beast to the ARIOB, which includes a wide range of interests, and they were very focused: there was three months in which to write a report. For the ARIOB, the process is very much led by the Scottish Government, and it is an advisory group, not a decision-making group. That is fundamental.

As others have said, we are not just looking through the lens of carbon at what we are dealing with. Agriculture is so much more than that. It is multifaceted, as Kate Rowell has said. It plays an integral part across so many portfolios, such as economy, tourism and the food supply. As so many committee members know, the diversity within agriculture—for example, in farm size, farm intensity, land tenure, access to markets and so on—means that there is a huge amount to consider.

The Convener: You commented that the process is Government led, and you mentioned the disappointing delay. We heard from the farmer-led groups last week. Andrew Moir said:

"The arable sector is in grave danger of leaving the Scottish Government way behind ... We are at the top of the curve compared with the Scottish Government, which is down at the bottom. We are leaving the Scottish Government ... behind on the things that we are doing."—[*Official Report, Rural Affairs and Islands Committee,* 1 March 2023; c 14.]

Do you play any part in that? Are you holding the Government to account? You co-chair with the Government, but are you raising concerns that the farmers rather than the Government appear to be leading the way and that, potentially, that will have an impact on the policies that you develop?

Anne Rae MacDonald: Yes. The timescales are raised regularly, as they are key to fulfilling the Government's commitment to a just transition. We have a fixed end target. Given the life cycles of nature that we are dealing with, that is critical, as it takes considerable time for changes to be made in agriculture and therefore for outcomes to be delivered. At the same time, as Martin Kennedy alluded, this is something that we need to get right. We have seen elsewhere the perils of rushing into policy.

Vicki Swales (ARIOB Agriculture Policy Development Group): I will respond to the last point, then come to purpose and timescales.

Some farmers are leading the way; the problem is that the majority of farmers are not necessarily in that position. If they were, we would have seen faster reductions in greenhouse gas emissions and we would not be seeing some of the biodiversity impacts or problems in the sector. The question is how we get all farmers to be in the same place as some of the farmers in the farmer-led groups. That is a big challenge.

On the purpose of the ARIOB, members of the farming community, our organisation and others are in a really privileged position in having a seat at the table and being able to co-design future policy. As others have said, it is about replacing the common agricultural policy, which we have been part of for more than 50 years. That is no insignificant undertaking. It is also about ensuring that that policy determines how more than £0.5 billion of taxpayers' money will be spent each year in supporting the farming sector. That is a really important question, too, and we all take that role very seriously. We also need to look at agriculture in the wider context of land use more broadly in Scotland, which has a big role to play in tackling the twin challenges of the nature crisis and the climate emergency, as well as ensuring that we produce food, timber and all those other goods and services.

On the timescales, as we have mentioned, we have the farmer-led groups and we have been through a process since the referendum in 2016. There has been a long history there. One of the decisions that the Government took early on was about stability and simplicity. This Parliament passed the Agriculture (Retained EU Law and Data) (Scotland) Act 2020, which essentially committed the Government to retaining European Union schemes through to 2024. We then had a group that preceded the farmer-led groups, which was the farming and food production future policy group. We then had the FLGs, and then we had Covid. In that time, we have had parliamentary elections and a change of minister. Not

surprisingly, there has been a lag, but we would be the first to say that we are not where we need to be. The clock is ticking and we need to get on with developing and implementing policy quickly.

The Convener: Do you think that the Government is in danger of losing control of farming when we see the early adopters taking all the action that they think they need to take—for example, reducing inputs and looking at methane and carbon—while they wait for policy to be developed?

Vicki Swales: Not necessarily. Clearly, some farmers are leading the way—some of them may be less dependent on the support and subsidies that I have just referred to—but I would argue that not all of them are leading the way. Many farmers have got the message on climate change and are taking strong action, but we are behind where we need to be on the biodiversity front and I do not think that sufficient numbers of farmers are taking as much action as they could. That is not to say that some farmers are not doing amazing work for some of our important habitats and species in Scotland. However, we have a really big job to do. I do not think that we are moving away from where policy needs to be; the two need to work together. In some cases, the industry can take the lead and help to show the way.

Jim Fairlie (Perthshire South and Kinross-shire) (SNP): Good morning to the panel. The ARIOB's remit is to support policy reform and to

"cut emissions across agriculture ... support the production of sustainable, high quality food ... address the twin crises of climate and nature/loss of biodiversity".

The minutes of your meetings highlight that you are discussing

"shaping conditionality ... data collection ... standardisation and baselining ... the capacity of advisory services ... payment methodologies for future agricultural support".

You are doing all of that in a timescale that you think is too slow. Have you got too much on your plate?

The Convener: Martin?

Jim Fairlie: Yes—it was the eye contact, Martin.

Martin Kennedy: Fine. No bother.

Farmers and crofters have always got too much on their plate. The fact that they are trying to put something on other people's plates sometimes gets missed, but we have to remember that. This is about agriculture and food production, which is the core principle of what we do. We have taken it for granted for far too long, but farmers and crofters are extremely resilient—they always have been and always will be.

09:15

The ARIOB does not have too much on its plate. We have to address all those issues, which is why it is a co-design process. All those issues must be addressed, but the continuation of food production must be at the core. It is not only about agriculture and not only about investment. I have never liked the term "subsidy". This is about investing in the business of agriculture so that there is a huge return off the back of it.

Farmers and crofters are key to how we deliver that return, because we manage in excess of 70 per cent of the land in Scotland. We can deliver that return. We need to have all of that on our plate, because, if we do not have all of that on our plate, we tend to fall back into looking at things in silos. We must not look at things in silos; we need to look at food, climate and biodiversity globally. By doing that, we can take everybody's interests to heart and look at them together, instead of looking at one issue, whether that is the carbon footprint, biodiversity or something else.

I will give a quick example. The topography of our farm is from 800 feet to 2,500 feet. We have continental cattle and continental sheep on the low ground. The high ground is extensive and its carbon footprint is poor, but the reality is that the biodiversity benefits that it brings are very high. On the low ground, the output is great and the carbon footprint is good, but the biodiversity benefits are not so good. So, we cannot afford to single out a sector and look at it in its own right. We cannot afford to look at sectors in silos.

I come back to my comment about hating the term "subsidy"—it is about the return on investment. If we do not get this right, the infrastructure that is built on the back of agriculture will be at stake. Markets, abattoirs, processors and packers are beginning to get concerned about the output of Scottish agriculture. If it depletes any further, the critical mass that keeps those businesses viable could become unsustainable.

The Convener: Vicki Swales wants to come in on the back of that.

Jim Fairlie: I will come back to you, Vicki, but I will ask the whole panel a question. Given the explanation that Martin Kennedy has just given, and given that there is a wide range of stakeholders on the ARIOB, is there general consensus on where you are and how you will go forward?

Vicki Swales: In broad terms and at a high level, all ARIOB members share the understanding and the aspiration of where we need to get to, which is behind the vision that the Scottish Government set out. However, the devil is always in the detail, is it not? When we drill down into different policy choices, different kinds of

payments and different emphases on things, there will be differing views among the stakeholders around the table.

Martin Kennedy is absolutely right about the broad thrust of what we need to do. Although we understand that agriculture is multifunctional, its primary function is to produce food, and you cannot produce food without a healthy natural environment or a stable climate in which to operate. All those things come together, and we need to think about our economy as part of that. Martin is right that we cannot separate out those issues.

There will be differences of opinion on different elements of policy, and it is good and healthy that we debate those things robustly and come to different views, but, at the end of the day, the Government will have to make choices for that policy framework and how it deploys that more than £500 million of public money.

Jim Fairlie: Are those differences on policy detail causing part of the delay?

Vicki Swales: I do not think that that is where the delay is coming from. It is coming from many of the other things that we have talked about in relation to the process.

We have to acknowledge the process that has to be gone through—the Scottish Government has been very clear in setting that out to the ARIOB. We need to produce an agriculture act that creates the powers that can implement the policy. At the moment, we operate under the existing legislation and the existing schemes that were carried over from the common agricultural policy. The Scottish Parliament has to do its work to get the bill in place, and there has to be secondary legislation and policy development. So, unfortunately, we are looking a timeline through to 2027-28 before the policy is implemented.

The problem is probably that we should have started sooner, but it is like the old Irish adage, "'I want to get there.' 'Well, I wouldn't start from here.'" We are where we are, so we need to press on as quickly as we can and take every opportunity under the existing legislation to make changes in the next couple of years. We do not need to wait for the new legislation to make some changes. I am thinking about the capping of current payments, how we deploy the existing budget and putting more conditionality on payments, which can happen in 2025. There are some shorter-term options for things that we can do.

Jim Fairlie: So—

The Convener: Sorry, Jim—through the chair, please. Tim, please.

Tim Bailey: My comments follow on from what Vicki Swales said. You asked whether differences of opinion were delaying decisions, and I would agree with Vicki that, broadly, we are all in the right place. Everyone signs up to the fact that agriculture must undertake its climate duties and responsibilities, and it is a similar situation around nature and the realm of producing food for our nation.

It comes down to process. My plea through the ARIOB all along has been about the need for more urgency and ambition. Returning to a point that Vicki Swales made, there is a need to utilise existing tools to help that to happen. My poor colleagues here have heard me talk endlessly about the runway. We have a runway to 2032 to enable our sector to fulfil its target of a 31 per cent reduction by 2032—we are now in 2023. We were chatting earlier about breeding low-methane cattle, but, if a heifer conceives now, it will not be delivering any low-methane beef for at least another five years, and that takes us to 2028.

We need to be doing stuff now, in the interim, so we need more ambition around the interim programmes. Soil testing, carbon footprint audits and animal health and welfare plans are a good start, but we need far more than that if agriculture is to have any hope of getting anywhere near the target in 2032. There are things that we can do around that in the ARIOB, many of which are about process. We should not just be doing things in sequence or serially; we need to be doing a lot more stuff in parallel.

Jim Fairlie: I am hearing that there is general agreement across the board at a high level and that everybody agrees to the general principles, but where are the disagreements in real terms? Where are the details that are causing the difficulty, such that the process can be smooth if they are resolved?

Martin Kennedy: As I said right at the start, we are probably at a crossroads. In terms of where the budget split is going to be, as Vicki Swales highlighted, more than £500 million is coming into agriculture right now, which I think is still relatively cheap in real terms, given that public spending in Scotland in 2020-21 was £99 billion. That means that, for every pound of public spending, we are spending only half a penny on food security. Well, jings—that is not very much to pay, considering what is at risk if we do not get things right.

As for the differences of opinion, when I say that we are at a crossroads, I note that we are all in agreement with the approach of using a four-tier structure. Tier 1 is the base payments; tier 2 involves enhanced payments; tier 3 and tier 4 are above that. As for where the tensions will come, we feel, taking an agricultural perspective, that it is imperative that the bulk of the existing split of the

budget should be within tier 1 and tier 2. We would include voluntary coupled support and less favoured area support within that, because the less favoured area support scheme is still deemed to be a direct payment—it is currently a pillar 2 payment.

I am aware, from speaking to farmers, that about 85 per cent of the land in Scotland is in the less favoured areas, and they view LFASS as direct support. That is where tensions will come. I fully understand how we should be putting far more into the environment and tackling emissions, but let us not forget that, if we do not get this right and we do not support the primary production element in Scotland, we are at risk of exporting our emissions.

We are here to do our bit for the country, but we are not here to try to solve global emissions. Let us not forget that, if we do not do things here, we could be importing products from other parts of the world that do not have the same care and attention for animal welfare and that certainly do not have the same care and attention for the environment. We need to be careful. That is where one of the key tensions will probably arise, Jim.

Kate Rowell: To go back to Jim Fairlie's first question, we saw in the past where focusing too narrowly on one thing gets us. Historically, payments focused on producing more and more without looking at anything else, which is why we are where we are. It is vital that the ARIOB and policy makers in general look across the board at all the different things you are talking about.

As Vicki Swales said, there may be more that we can do to change things and begin that journey in the short term, but Tim Bailey has eloquently said that this is a long-term game. Five years is not a long time in farming when we think about the changes that we want to make.

We are in broad agreement that we cannot have a one-size-fits-all policy for farms. We must consider every sector and place. What fits Lewis will not fit East Lothian, so we must look at farms on a case-by-case basis, so that they can all play to their strengths and do whatever they can to hit all the targets. We must also ensure that we do not end up with unintended consequences from going down one route instead of another.

That is all being discussed at the ARIOB. Anne Rae MacDonald made the key point that we are an oversight and advisory board. We will not be making the decisions; all that we can do is have some input to try to ensure that the Scottish Government makes the best decisions for everyone.

Jim Fairlie: I have a supplementary question for Vicki Swales. It seems to me that that is where some of the tension is coming from. Farmers want to produce food and to do that sustainably, but other parts of the ARIOB are concerned about biodiversity and climate change. Where do you sit?

Vicki Swales: I do not think it is quite as polarised as you present it, Jim. This is not an either/or situation; it is an and/and one. We have to do both of those things: we have to produce food, but we have to do it sustainably.

Jim Fairlie: [*Inaudible*.]

Vicki Swales: There are always trade-offs and decisions to be made.

On your specific question about policy differences, Martin Kennedy is absolutely right: what is important is how the budget is deployed across the four tiers of the framework that the Scottish Government has set out and what is put into each of those tiers. A lot of weight has been put on tier 2, particularly by the Scottish Government, which has said that that is the engine room of delivery and where the enhanced conditionality will come.

About two thirds of the current budget is spent on direct payments that map to tiers 1 and 2. We would argue that, to have any chance of meeting nature and climate targets as part of that, you will have to look really seriously at that deployment of money, because that will leave very little money to deploy on other measures in tiers 3 and 4. Those include things such as advice, training, support for farmers, the other aspects of nature restoration that sit in tier 3 and supply chain measures such as processing and marketing grants. The more money that is left locked up in direct payments under the current system, where most of the money goes to bigger farmers and is paid out on a per-hectare basis, the more problems you will have with delivery.

I do not expect much of a long-term increase in the budget, so how that money is put to work will be really important. It will have to work really hard, and we might differ from some other members of the board on how that money is spent.

The Convener: Rachael Hamilton, is your question a supplementary one about Vicki Swales's response?

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): Yes.

The Convener: Be very brief, please.

Rachael Hamilton: Does the ARIOB have a strategy in place to mitigate threats to food security?

Vicki Swales: The ARIOB has not yet discussed the specific issue of food security. It might depend on what you mean by "food security". If we take that term in its broader sense,

it is not only about how much food we produce. There is a wide range of factors, including thinking about poverty and whether people have access to and can afford to buy nutritious food, as well as the quantum of food that we produce and whether we are producing it sustainably.

If you are asking whether some of the policy decisions would have an impact on overall food production in Scotland, my answer is that they could. There is a whole other conversation to be had about the extent to which that feeds into food security and becomes a problem. We could probably spend another committee meeting talking about that.

The Convener: I will bring in Tim Bailey before moving to questions from Ariane Burgess.

Tim Bailey: I have a very quick response to Rachael Hamilton's question. As Vicki Swales said, the ARIOB has not directly discussed the issue of food security. My organisation, the Scottish Agricultural Organisation Society—which is owned by 60 farmer co-ops in Scotland—is part of the Government's food security task force, which reported in June, and one of the key actions off the back of our report was the creation of a food security unit. That process is in motion, and the unit will sit within the agriculture and rural economy directorate. In that respect, agriculture and food security will sit side by side within the directorate. That would not have happened until more recent times, albeit that it is very early work in progress. There is indirect—not direct—input, but there is the opportunity to build on that.

09:30

Ariane Burgess (Highlands and Islands) (Green): It has been really helpful to hear about your discussions around the design of future agricultural policy, and you covered quite a lot of what I wanted to ask, but I want to go a little deeper. Today's committee papers highlighted that the ARIOB has been considering definitions of "regenerative" and "agroecology". I will direct this question first to Vicki Swales and then to anyone else who wants to come in. I am interested in hearing whether you think that definitions of those terms or a list of principles should be included in the bill—or somewhere else—in order to help farmers to understand that direction of travel. I would also appreciate hearing your thoughts on the presentation that the ARIOB received from ClimateXChange on its study on the potential for an agroecological approach in Scotland.

Vicki Swales: There has been some—although perhaps not extensive—discussion in the ARIOB around some of those terms. I think that we all recognise that the term "regenerative" is used somewhat loosely, with different interpretations by people. I cannot think of it off the top of my head, but there is a more defined terminology for what we mean by "agroecology". Even within that, it can mean different types of farming systems—including, but not exclusively, organic—but it tends more to mean farming with nature and for climate. I think that it would be helpful to articulate better—both in the policy and, as you suggest, in some principles for the bill—exactly what is meant. In the high-level vision that the Scottish Government put out, agroecology is referred to in relation to things like nature restoration and climate mitigation and adaptation, but, if we could drill down and agree some principles as to what the terms mean in a Scottish context, that would be very helpful. If the bill has a clear purpose and principles at the start, that will very much help to determine what flows throughout the rest of the bill.

Ariane Burgess: I had another question about the ClimateXChange study—I think that the ARIOB had a presentation from ClimateXChange. Vicki, you were not there, because you are not on the ARIOB.

Vicki Swales: Yes—that is right. I do not know whether any ARIOB members want to comment.

Martin Kennedy: I can comment on that and on the first question as well.

The terminology is very difficult to define, and many people would say that regenerative farming is simply good practice. Last week, you heard from Andrew Moir about his fairly large farm. His carbon stocks have risen over the past 50 years, so, to my mind, regenerative farming is about putting back into the farm and the land—our biggest carbon sink—and doing so in a manner that is also very much in line with enhancing biodiversity. That is what he has done. The woodland on Andrew's farm is also to be commended. That is a classic example of where we are, and it is not just about the big farms. Quite often, the big farms play a big role in emissions reduction because they have the technology to reduce emissions and can be more accurate when it comes to applications.

We often get strong views from the Climate Change Committee and, to be honest, I always find it very frustrating when we hear those comments, particularly against the beef side. The beef sector is getting a real kicking just now because the methane level is so bad. There is no doubt that it is bad—the methane level is about 25 times worse than the carbon equivalent. However, methane breaks down into carbon and water, which is sequestered back into soil that has been through green pastures that have been grazed. That is why livestock is so important.

The James Hutton Institute is a fantastic research organisation that we are all proud of in Scotland. Last year—and this is very much linked

to the question about how to define "regenerative"—the institute was in Macedonia, looking at where it can help with areas of ground that are struggling to grow beans, peas, pulses and any other leguminous plants that are helpful to the soil. The institute discovered that it was not possible to plant much at all because they got rid of livestock a number of years ago and the carbon assessment is now sitting at only half of 0.5 per cent. Although they felt that they could not afford to keep livestock, they have now discovered that they cannot afford not to have livestock, because keeping livestock was helping the soil carbon, so that they could grow crops later on, further down the line. That is not what I am saying—it is what the James Hutton Institute is saying.

On 23 December, Rothamsted Research, in Hertfordshire, put out its most recent report. Rothamsted has data going back to 1850, which is absolutely incredible. Rothamsted Research has discovered that, in terms of emissions reduction, methane is bad but nitrous oxide is 300 times worse than carbon. Rothamsted has now discovered the importance of livestock in terms of farmyard manure and the effect that it has on the soil structure: it has a massive influence on the aerobic metabolisation of nitrous oxide. If farmyard manure is involved, it makes a huge difference to arable soils. That reduces the emission of nitrous oxide, which is the biggest issue in emissions from agriculture.

Anne Rae MacDonald: On the question of definitions, I agree with Vicki Swales. It would be hugely helpful to have more of a definition within the documentation, albeit that it needs to be flexible and adaptable enough to cope with the varying situations and different types of agriculture that are out there.

Also, in terms of economics—which is key to underpinning all of this, along with the carbon and the biodiversity—it is vital that the figures add up in terms of production and cost and that the huge variability in what we can grow and produce across Scotland is taken into account.

On the climate and ClimateXChange, it is very apparent that muck is a key component, as is grazing. To get optimal biodiversity results really means simply closing the gate. It is vital that we look right across the piece.

Kate Rowell: It is important to say that terms such as regenerative agriculture and agroecology are not understood by farmers on the ground at all, and such terms can become somewhat divisive. They are not always seen as a positive thing by farmers, for various reasons. Those terms need to be defined, and they need to be properly explained to farmers.

I am here as a member of the ARIOB, representing Quality Meat Scotland, but I am also a farmer and it is really important to get across that every single farmer I know wants to improve their farm for future generations. I am a fifth-generation farmer. We are all in this for the long term—and by that, I mean centuries. We absolutely do not want to be making things worse. After my family, my farm is the thing that I love most in the entire world, and it is really important to me that it is left in a really good way for my children, if farming is what they want to do. I know where every bird's nest is. I know the different trees. I absolutely love the place and I want to leave it in the best state possible. Most farmers feel the same way, and we need to support them in doing that.

Part of that is giving them more positive recognition and not just beating them on the head for all the things that they are supposedly doing wrong, when all that they have been doing over the generations is following policy signals. We need to be giving them the right policy signals and positive recognition for what they are already doing and what they could potentially be doing. We need to get the message out, throughout industry and society, that farmers want to do the right thing and that they will do the right thing if they are supported in the right way to do it.

Jenni Minto (Argyll and Bute) (SNP): I thank the panel, and I thank Kate Rowell for that last comment.

I represent Argyll and Bute, which has mixed farming. One of the key things in farming throughout Argyll and Bute, and certainly on the islands, is the sustainability of population and how the investment—I think that that is the right term to use—connects much more to the wider community.

Martin Kennedy, you talked about LFASS. I wonder whether you could expand a bit on what the ARIOB is advising with regard to LFASS payments. [*Interruption*.] Sorry—I am getting noises off from a sedentary position. I would also like to know how you have been looking at ensuring that population is sustainable across Scotland and at the interconnectivity of farming from the west coast to the east coast. It is a big question.

Martin Kennedy: Yes, it is a big question. We have set up a sub-group in the ARIOB to look at LFA support, its importance and where it should be positioned. The group has not reported back fully yet, but it understands that LFASS is vital for areas such as Argyll and the islands. All the islands really depend on LFASS. We have talked about it being a lifeline, and it absolutely is a lifeline for those people, because of depopulation.

There are socioeconomic values off the back of LFASS. When you look at what happens in our rural areas, it does not matter what event it is—for example, an agricultural show, which tends to be the biggest event in our local community—it will be driven by active farmers on the ground. If it was not for active farmers and crofters, those shows simply would not happen. Such elements are taken for granted—they always happen, but they do not happen by themselves. Those are socioeconomic values that, to my mind, are a classic public good and a public benefit, and they are driven by investment in agriculture throughout Scotland. We do not appreciate that enough.

There are many things in agriculture that we have taken for granted for a long time. Scotland has a fantastic tourism industry, and tourists are here because they want to see the fantastic mosaic patterns. They want to see activity. They do not want to go into communities that have been depleted, deserted and left to go completely wild, with no activity in them at all. That would be extremely frustrating.

On interconnection, we have serious issues, from an islands perspective, because of the ferries. What the ARIOB can do to sort out the ferries is limited, but the reality is that a lot of our members are concerned about them. The connections are vital, because this is about population. If we do not have people living and working on the land, we do not have the people on the land who can build the environment and biodiversity.

I am proud of what we have at home. We have a small family farm, but we are delighted with the biodiversity that we have, although some would argue that it could be greater. Last Sunday, I was at home—a rare occasion—feeding sheep, and it was great to see that the lapwings were all back. They were there for two reasons and two reasons alone: because we have good grazing management and because we have the predators under control. Quite often, that is overlooked, but that is what happens in rural areas. We are doing our absolute utmost. As Kate Rowell said, family always comes first, but second is what you are doing on the farm. You want to put back into the ground what you have taken out of it.

There was a third part to the question—sorry, Jenni. There was interconnection and LFASS, and there was another bit.

Jenni Minto: I asked about the interconnections between east and west.

09:45

Martin Kennedy: If you mean between farms, we have seen that happening already in some areas. The ARIOB has not looked at that specifically, but we know that it sometimes happens in the industry anyway, because we see livestock move. In particular, there are arable farms that winter cattle on the east so that they get the benefit of the dung. As I mentioned, the muck is so important because putting it back onto the soil actually helps. That practice should probably be encouraged more, and maybe doing it co-operatively could be looked at. It does happen in practice, and we see it happening within regions and not just from east to west. It could be enhanced.

The Convener: Vicki Swales, you may come in very briefly.

Vicki Swales: Thanks, convener. I will try to be quick.

I think that, if we get this right, there will be a huge opportunity for farmers and communities in the rural economy. One thing to look at is how the investment is currently deployed. The Highlands and Islands represent 50 per cent of Scotland's agricultural area, but they get only 16 per cent of what is called the pillar 1 money. They do slightly better out of the rural development support and get about 38 per cent. They are getting a really bad deal because of the way in which the system currently works, and there is an opportunity to change that in the future. Even LFASS, which is seen as being effectively a farm income support, gives most of its money to the better-quality land within the less favoured areas and not to the poorer-quality land and more marginal areas, which, arguably, need greater levels of support to underpin agricultural activity. There are some fundamental flaws in the current policy.

We need to stop thinking about the less favoured areas as being agriculturally disadvantaged and start thinking about them as being environmentally advantaged. They are the areas that can do a huge amount to deliver for nature and climate. We think of them as high-nature-value farming and crofting areas, and they have a huge amount to deliver. They have a lot of the peatland resource—I know that the committee has had conversations about that. There is a massive job to be done to restore degraded peatland, and I think that there are jobs and opportunities in that for people in those places. We do not need to look at some of these changes as being negative; there is a lot of opportunity for very many businesses in this.

Alasdair Allan (Na h-Eileanan an Iar) (SNP): The witnesses have mentioned that consensus exists on some issues and that there is a variety of views on others. Can you identify the obstacles that are in the way of reaching a conclusion and on which there is consensus? That question is for anyone who wants to answer it.

The Convener: Who would like to tackle that?

Alasdair Allan: I ask the question only because you mentioned that progress is perhaps slower than you would want it to be. What are the stumbling blocks and the challenges?

Anne Rae MacDonald: One of the biggest and most obvious stumbling blocks relates to how much money will be available at the end of the day, because, as has been mentioned, the bill is expected to do a huge amount. If the budget is sweeties, that is what the outcome will be.

It is critical that funding is pitched at a meaningful level that allows us to have a stable food supply and to make our agriculture industry resilient and vibrant in order to attract young people. The industry would then be able to deliver on all the biodiversity and climate change aims, on the socioeconomic aspects that we have covered—particularly in areas such as the Highlands and Islands—and for industries that are further downstream, such as shops, businesses, the services of markets and so on.

Tim Bailey: I come back to my earlier point. In general, we do not sit at loggerheads around the ARIOB table, arguing the toss back and forward on different things. As Anne Rae MacDonald and Kate Rowell said, we provide oversight on what is presented to us. A lot of our work has related to process, because the need to get the new agriculture bill drafted and put out to consultation has taken up the vast bulk of the resources of officials in the department. That has weighed on their minds, which has certainly affected, to some degree, the pace at which we have been able to go.

We are there now. Scrutiny is now being undertaken. It is really just a case of increasing the pace in pulling together material and putting in place a structured framework for how we meet, the topics and—this comes back to Jim Fairlie's point—our focus and prioritisation. It is a good thing. There are no obstacles to decision making. We are all eager to get on and to get going quicker on a lot more things.

Vicki Swales: I would like to pick up on a couple of things that my colleagues have said. I totally agree that the funding question is a really big one, because the scale in relation to delivering against all the objectives is huge. According to one recent assessment, delivering the environmental land management objectives alone—never mind everything else, including broader support for the industry—would cost more than the existing budget. If we add in everything else for rural development, food processing, advice, support and so on, we are potentially looking at an annual budget of £1 billion, which will probably not be on the table.

There is a commitment to funding from the United Kingdom Treasury only until 2024, and we have no idea what will happen after that point. That is the other big question. The case will have to be made for on-going funding.

I agree totally with Tim Bailey that there is no disagreement on the issues, but there is consensus that some of these things are difficult. If you consider tier 2, which will have to deliver a lot, you will see that it is really difficult to come up with something that is environmentally effective, practical for farmers to operate, deliverable by the Government and able to be monitored by Audit Scotland, which will have to report on and scrutinise it. We are grappling with that and having conversations with the Government about how to do it in the most effective way. It is not an easy job.

The Convener: Before I come to Martin Kennedy, I will ask a question. You say that there is no conflict, so is there compromise? I am quite sure that Vicki will have a different opinion from Martin on capping, and I am quite sure that she will have a different opinion from Tim on genetic editing or whatever. When you respond, can you bear that in mind? We are talking about pots of money.

Martin Kennedy: I will go back to Alasdair Allan's question on areas in which we have overcome obstacles to get consensus. The tiered structure is probably one such area.

We have always felt that we needed direct agricultural support, but we also had to find a way to meet our climate and biodiversity objectives. We have come to a consensus on the tiered structure. As has been highlighted, the Scottish Government still has to consider what we are advising is the way forward. We are advising through consensus, and we feel that that is probably the right way forward.

You are right that there are disagreements on the capping issue. I and other colleagues feel that the capping process could be done a lot smarter. In relation to economies of scale, we could be front loading to help smaller units, for example. There are small units with perhaps 25 or 30 cows and a tractor and loader, and there are bigger farms with, say, 140 or 200 cows, which also have a tractor and loader. For the small units, the cost of maintenance of those pieces of equipment is far greater per cow, so front loading, which has been adopted in the past, would be a far smarter way of capping. We could ask some of the bigger farms to do an awful lot more, although some of them are already doing that, which comes back to what I said about them perhaps not getting the recognition for what they are doing.

I must bring the discussion back to the fact that we need to get it right in relation to our ability to produce the right quantity of food. If we do not get food production right, it is not just us who will be at risk—there is a huge economic risk in that. In Saltcoats, Dunbia has just invested £12 million in updating its abattoir to get it up to spec, in relation to animal welfare, for output. Dunbia is relying on 1,000 farmers to produce high-quality beef to keep the unit viable. There are 380 jobs there, and 80 per cent of the workers come from the local area. It is fantastic, because Dunbia has a butchers academy to deliver those workers. It is a great system. However, if the number of producers drops to 750 farmers because the others cannot afford to keep beef on the ground, will it implode, with the economic impact that that would have on all the infrastructure around the area?

That is just one very small example of what could happen right across the country if we do not get this right in terms of critical mass. It is not just about beef; it is about fruit and veg and the array of other products that we produce extremely well in Scotland.

Alasdair Allan: One of you mentioned the opportunity to do things anew, but there is also tension, is there not? You mentioned the challenges of trying to second guess the budget that the UK Government will commit to in the longer term. Are there other things about the wider UK context that present challenges? There is the United Kingdom Internal Market Act 2020—which the committee has been looking at—the Subsidy Control Act 2022 and various other things. How do you fit what you are doing into the wider picture?

Martin Kennedy: The UK context has a huge bearing, and the internal market act is very relevant to what will happen.

Gene editing was mentioned. If that was used for crops south of the border, could we use it for products or foodstuff such as malt and barley up here, in Scotland? That could be an issue. The internal market act is extremely important in that regard, because we need to have a broad framework so that we are all working from the same page.

The outcome could be exactly the same. In fact, we believe that Scotland could achieve that outcome far better than the UK could, because there is a policy difference. South of the border, we see evidence that people are reacting by backing off and just farming to the ditch or the fence side. There are concerns about that, and we have to keep them in mind.

In relation to the UK's influence, I agree 100 per cent with Vicki Swales and others that the UK budget is crucial, and the funding is guaranteed only until the end of 2024 or the end of the parliamentary session. We need the return of a multi-annual framework for agriculture. As Tim Bailey set out well, whether it is for livestock breeding programmes or crop rotations, we need to be able to look five or six years ahead. That is what agriculture is all about; it is not a short-term industry. We have to look to the future, and five years are gone in the blink of an eye. We need a multi-annual financial framework. We got used to the one that was delivered by Europe, which covered a seven-year period, so people knew what was going to be available. We do not have such a framework at present, which is really concerning.

The Convener: I realise that Tim Bailey wants to come in, but first I will bring in Ariane Burgess to ask a supplementary question.

Ariane Burgess: Actually, convener, I was going to ask questions about subsidy control and the UKIMA, but those issues have been covered.

Rachael Hamilton: I have a supplementary question on divergence. Does the ARIOB have a role in discussing divergence from EU alignment in relation to the replacement for the CAP? I am thinking particularly about benefits to the environment and health. Martin Kennedy mentioned gene editing, for example. Does the group discuss such issues?

Kate Rowell: We have not touched on those issues yet. There have been so many other things to consider. They are obviously very important, and they need to be taken into account, but we have not done any more than mention them.

In relation to the previous point, it is worth saying that, in Scotland, we are doing this for the first time, so we should recognise that officials are working really hard. They are probably overstretched because they are having to do an awful lot. You seem to be suggesting that things have stopped because there is a lot of conflict within the ARIOB, but that is not the case. Officials' capacity to move forward and get things organised has slowed down the process more than anything else.

The Convener: I will bring in Tim Bailey before we move on to the next topic.

Tim Bailey: I just want to make a point in relation to Alasdair Allan's question about UK funding. Clearly, that area is of ultra-critical importance to our sector, but we do not have visibility on it.

At some point, the relevant agriculture powers will be devolved to the Scottish Government. As Martin Kennedy said, food security represents little more than half a penny of every pound that the Scottish Parliament spends. At some point, a decision will have to be made, so we cannot

necessarily wait for what comes out of Westminster.

In the light of some of the stuff that we have talked about, if we end up re-pitching the farming sector as the national food and countryside service, perhaps it would be easier for the Scottish Government to say that it will commit to existing budgets over the next five years. That is the reality: we are providing the food, maintaining the countryside and—this comes back to Jenni Minto's point—linking up the west and the east. There is a massive issue with regard to signalling what the new policy looks like.

10:00

At last week's evidence session, Jim Walker talked about the fact that cows are now being put off here, there and everywhere, because we do not know where things are going. We, along with officials and the Government, through the ARIOB, can come up with more flesh on the tiered structure. Ultimately, however, if all that we are saying is, "You're going to get X, Y or Z", and we do not know what X, Y and Z are—we will not know that for another two years—how many more thousands of cows and sheep, and shepherds, will be put off in fragile areas?

At some point, decision day will have to come, whether or not there is clarity from Westminster. It is all about decisions and choices.

The Convener: We will move to a slightly different topic, with questions from Karen Adam.

Karen Adam (Banffshire and Buchan Coast) (SNP): Good morning to the witnesses, and thank you for your testimony so far, which has been enlightening.

I am curious about your expectations of the proposed agriculture bill. Have they changed from when you first came into the process? If so, in what way? Perhaps Vicki Swales can start.

Vicki Swales: I do not think that our expectations have changed. It is clear that the purpose of the agriculture bill is, in simple terms, to create the powers to enable the Scottish Government to deliver its agriculture policy and the payments that are attached to that, and that remains the case. As I understand it, the bill will also determine how the forestry grants are spent, so Tim Bailey is right in saying that we are talking about the creation of powers in relation to not only agriculture but some broader aspects of land use.

As we said at the start of the session, it is clear that the bill has an important role in ensuring that our approach to agriculture and land use in Scotland will enable us to deliver sustainable food supplies in a way that is positive for nature, and which gets us to net zero. That is at the heart of what the bill has to try to do.

Of course, as we understand it, the bill will not contain all the detail. It will be a framework bill and will be quite high level, so a lot of secondary legislation will have to come in, which will inevitably receive less scrutiny. Each scheme and payment that is required will have a whole set of secondary legislation relating to it that will set out the exact criteria and how the scheme will operate. All of that is yet to come, and it will, I think, be several years down the line.

Martin Kennedy: I do not believe that our expectations have changed. I agree with Vicki Swales—the expectation, in going into the reform process, was about trying to advise the Scottish Government to make the right decisions in delivering on food, climate and biodiversity.

That is a short answer but, to be honest, our expectations have not changed. We all aspire to get agriculture reform right, for many reasons. We have one of the best opportunities that we could have to really put Scotland on the map. We are on the map already, but we have a great opportunity. However, to go back to what Kate Rowell mentioned earlier, if we do not get buy-in from farmers and crofters, we will lose the opportunities to take forward reform.

That goes back to the point about just transition—we need to do it in a manner that means that we do not see farmers and crofters falling off a cliff. Again, I go back to the point about the resilience of the industry—it would survive, but everything around it would completely fall apart.

We have a great opportunity. The aspiration has not changed—it is still to get reform right, for many reasons. I am the eternal optimist; it is challenging sometimes, but we have a right to be optimistic, because we have an opportunity to get this right for the industry and for the country to showcase us all.

Kate Rowell: I agree with the comments on expectations—I do not think that those have changed. To supplement what Martin Kennedy said, I think that the agriculture bill needs to have enough flexibility in it to allow for changes, so that we do not end up with the unintended consequences that I mentioned earlier. There needs to be flexibility so that, as time goes on and things change, the Scottish Government can adapt and change policy as necessary to hit the right targets on the right things.

Tim Bailey: Likewise, I do not think that expectations have changed. From our point of view, what has come out of the consultation paper is encouraging. We have the chance to build on what we have and to look at doing things differently.

The organisation that I represent is owned by the agriculture sector—we are owned by 60 co-operatives in Scotland. There will be agricultural co-ops in all your constituencies. The new agriculture bill could provide for agricultural co-ops securing tier 3 funding. Of course I would say that, but agricultural co-ops represent about a third of our agricultural turnover in Scotland, so we are not talking about a fringe element. That is why I talk about them as the engine room across all our sectors, from those that are not supported through to those that are fully supported.

The co-ops provide an effective means of delivery. At the end of the day, regardless of whether there are 50, 200, 500 or 2,000 growers, farmers and crofters in the group, they are already all aligned to a common purpose, which is predominantly based on food production or marketing, but they are also starting to do lots of work in order to have an aligned approach to the environment, sustainability and climate change. That is a great positive in relation to the new agriculture policy. Clearly, tier 3 funding will be critical in that regard. It is a case of so far, so good.

Vicki Swales: On the contents of the bill, which is a slightly broader issue than our expectations, we have touched on definitions relating to regenerative agriculture and agroecology, for example. The bill needs to provide a clear purpose—it should include clear statements and principles in relation to what it is trying to deliver.

Martin Kennedy alluded to the need for a framework. Now that we have left the common agricultural policy, we would argue that we should have a framework that covers three years at a minimum, but it should probably cover at least five years. We would argue that the Government should be required to produce a strategic plan—which would be analogous to what is happening in Europe—setting out exactly what it proposes to do and its rationale for the schemes and measures that are included. The Government should have to report to the Parliament on its progress on delivering that plan.

We would also like targets to be included in the strategic plan that link to our climate targets and the nature targets that will be set out in the natural environment bill. We can think about targets for lots of different things, including ones relating to food production and organic agriculture. There are some targets in existing legislation, so the plan should certainly point to those. In that regard, the content of the bill will be essential.

Anne Rae MacDonald: I will make a very quick point, because others have covered the issue.

In addition to delivering on the carbon and biodiversity fronts, our approach needs to be adaptable, given that farming is evolving all the time through developments in technology and science, and to provide a sufficient bedrock for a viable industry that can reinvest, be innovative and attract future generations.

As we have heard numerous times, policy stability is really important because of the length of time of life cycles, even in relation to smaller issues. For example, the minimum lead-in time for buying a tractor these days is a year. We must take into account those fundamental issues. Every time that there is a significant change in policy, as well as the impact on the ground—with farmers and crofters having to get their heads around the change, understand what is required and change their farm policy—there is a big impact on delivery. For example, in relation to the rural payments and inspections division, what impact will the change have on computers, costs and general resourcing?

My plea is for policy stability that allows outcomes to be delivered and resources to be used efficiently on all fronts.

Rachael Hamilton: What is your assessment of the uptake of the national test programme? Shall I start with you, Martin?

The Convener: I am sorry, Rachael, but is that on to the next question?

Rachael Hamilton: Yes, it is on the national test programme.

The Convener: Before we bring the previous question to an end, I want to ask something. Martin Kennedy, we have talked about flexibility and adaptability, but we also need safeguards in the legislation. What do you want to see in the bill? Do you want safeguarded payments for tier 1 or tier 2 or some reassurance about conditionality going forward, to bring more certainty, rather than waiting for secondary legislation, of which, as we have heard, there is less scrutiny? What do you expect to see in the bill?

Martin Kennedy: I would be desperate to see food production and sustainable food production in the bill and, in that regard, to see baseline payments being highlighted. From my perspective and, I am sure, that of others, it would be important to see that 50 per cent baseline payment. That is achievable through management options in the tier 2 payments. If we go down the route of income forgone or additional costs, those options will not be taken up. If we take up the management options, we have a great opportunity to get buy-in from the industry.

That goes back to my point that, if we get this right and highlight that in the bill, we will get buy-in from the industry and we will be on the right track. If we lose the industry right at the start, we can forget it—I really mean that. We have to get the

industry involved, because we are the people who will have to deliver it—it is the farmers and crofters. One per cent of our population is producing the food for us; the other 99 per cent seem to have a great idea about how we can do it. They have great ideas, and we need to take some of those on board, but the experts on how to do it are the ones who are on the ground doing it. It will be an agriculture bill, so we must absolutely ensure that food production is in the bill.

Rachael Hamilton: On that point, if you are listening to farmers, why are other groups, such as the Farm Advisory Service, being set up?

Martin Kennedy: Other groups are being set up because the industry is very keen to hear from the Scottish Government about what is happening, and information on the delivery of the outcomes is not getting out yet. We are beginning to get that progress, but it is slow, as I said at the start. I am involved in FAS, too. There are butchers in the FAS group, including craft butchers, so it is the whole wider group of people who just want to hear what is happening. That is why that group was set up. That highlights exactly what I talked about earlier: the risk if we do not get this right. The critical mass aspect, for everybody else who is relying on it, is incredible. Therefore, the group involves butchers and processors, who are keen to see what is happening.

The Convener: Vicki Swales has a comment on that before we move on.

Vicki Swales: I am sorry—I was going to answer the question about the national test programme, but I can pick up on that point first.

You have been searching for contention, to an extent. I will come back to the point about what is in the bill. There are issues around the fact that, as I said, if we continue to fix two thirds of the budget in direct payments, we limit what is available for everything else that has to deliver. Those direct payments are not working to deliver against all the objectives and outcomes that we are trying to achieve, which is problematic.

If we fix in the bill that 50 per cent will remain in the baseline payment and 50 per cent of the direct payments will be in tier 2, I do not think that the Government has a cat in hell's chance—to coin a phrase—of meeting its objectives for agriculture. That is why we absolutely need to transform our farming policy and our farming and food systems to deliver against the outcomes. Therefore, there are some really difficult choices to be made.

On the test programme—

The Convener: You suggest that we are looking for contentious areas. Absolutely we are, because I want to know how the ARIOB actually reports or makes recommendations. That is critical. You said that you would come to a consensual agreement. There is no consensus on capping or on tier 1 and tier 2 payments. How do you move forward? Martin Kennedy, as the co-chair of the ARIOB, what is your role in advising the Government on that? Vicki Swales is absolutely right that I am looking for contentious areas to find out how we actually resolve those.

Martin Kennedy: We are there to advise the Scottish Government. Broad views from across the board are taken into account, and you and Vicki Swales have just highlighted where the contentious issues will be.

If we can see that we do not have a cat in hell's chance of reaching some of the targets on climate and biodiversity, my argument and that of others would be that people will not buy into this unless we do it correctly. We will lose industry support.

It is not just agriculture that is at stake; it is about the Scottish economy, which is driven by food production, processing and marketing. We cannot forget that the food and drink sector is Scotland's biggest economic driver. If we lose that opportunity—

10:15

The Convener: You have put that on record already.

Martin Kennedy: Sorry.

The Convener: The specific question is whether you are making compromises on behalf of farmers so that you can speak with a single voice.

Martin Kennedy: I put up my hand and say absolutely honestly that I have been challenged on that. As co-chair, I should be taking the consensus and not putting forward my personal views or those of the industry, but I would be failing in my job as NFU Scotland president if I did not put forward what I think should be the direction of travel. If that was the case, I would frankly not be keen to carry on. I am the elected president of NFU Scotland and the co-chair of the ARIOB. I have been challenged on that, and I accept that I must try and come to a consensus with the cabinet secretary. That is sometimes difficult. We have to try to get there, but I would be failing in my job if I did not take forward what I think are the views of the industry.

The Convener: That is helpful. We will hear briefly from Tim Bailey before I bring Rachael Hamilton back in.

Tim Bailey: This is about the stage of the process that we are at. To use an analogy, we know that we need to build a house. We have agreed on the aspect, dug the trenches and put in foundations that we can all broadly agree on. We

are now at the point where the walls and roof are going on, but what the house will look like inside is yet to be agreed. That contention will happen, but we have not reached that stage, because we have been slow in getting to this point.

Rachael Hamilton: I would dispute that the foundations are in place.

What is your assessment of the uptake and progress of the national test programme?

Tim Bailey: It is disappointing. I imagine that your next question will be why I think that it is disappointing.

From my perspective, although we can see the early foundation stones of what a future policy might look like, the rest of that skeleton and the flesh around it are not clear. Ideas are sitting a little bit off in left field and a little disjointed, because farmers and crofters cannot see the big picture. That is one side.

We have a small farm. I live in a rural community and have farming friends, and I know that some are sitting back waiting. As you heard last week, a number of folk have already been doing carbon footprint auditing. There is a slight fear from some people who do not want to start on that journey, because they are not quite sure whether it will help or hinder them. The easiest thing for them to do is to sit back a little and see where we get to. That is my assessment.

The Convener: If farmers do not know what the national test programme is supposed to deliver, where does the responsibility for that sit? Is that a responsibility for you guys or for the Government?

Tim Bailey: That should be part of wider Government communication. There has been increased effort on that, although how it all fits together was originally pretty hidden. I hope that that is starting to change, but the first year claim period has now passed.

Vicki Swales: It is important to remember that there are two parts to the national test programme: preparing for sustainable farming and testing for sustainable farming.

Preparing for sustainable farming is where the money is on the table already for doing things such as soil testing and carbon audits. The animal health plan has been brought in this year, and NatureScot is looking at whether a simple biodiversity audit could be introduced in 2023. We have yet to see whether that is possible, but we hope that it will be. The take-up of that has not been sufficient. Farmers are watching and waiting. There have been communication problems and the message has not got out there as much as it could have done.

The second part is testing. That is difficult. We do not know quite what we are testing yet, because we have not developed all of that detail. However, the Government has gone out and done surveys with farmers. The plan is to try to get a cohort of farmers to work with the Government to look at what measures could be introduced and think about how tier 2 could work in practice.

I think that the Government needs to put more money into that. It needs to develop it and grow it to get a serious cohort—a representative sample of farms and crofts across Scotland. It needs to work with farmers to work out what would work practically on the ground but also deliver against the objectives, and it needs to use that to inform the thinking on the policy development.

The challenge, of course, is where the money will come from for that. We have had a pot of money set aside for the national test programme, but all the other payments have to continue in the meantime, under the current legislation. It is difficult to find significant sums to do a lot of that work. There is a pot of money, but there could be more if the Government chose to invest more in that side of things.

Rachael Hamilton: I feel—

The Convener: Rachael, can I bring Kate Rowell in before you come back in?

Rachael Hamilton: Sure. My question is on Vicki Swales's point, but yes.

Kate Rowell: I agree with Tim Bailey. The problem is that farmers do not see the bigger picture, which is absolutely down to the communications. I would say that it is down to the Scottish Government's communications, because it is the Scottish Government that has to communicate on this. I do not think that farmers understand how everything fits together in the way that we are privileged enough to do. There has been an issue with getting that out there, which is partly why the FAS group has been set up. Other parts of industry were hearing literally nothing.

I absolutely understand that there is a balance to be struck between putting out lots of incomplete information that will just cause confusion, as Anne Rae MacDonald alluded—information that says, "You have to get your head around policy"—and not putting anything out, but the balance was wrong to begin with. That situation is improving, and the FAS group has been a way to make the whole sector come together to try to get that information out.

It is also important to note that there have been delivery issues. Many of the advisory services and testing services do not have the capacity to do all this work in a big mass all at once. That is also an

issue. We have flagged that up at the ARIOB, along with the need to improve communications.

Rachael Hamilton: I feel that I have heard conflicting messages from the panels this week and last. The ARIOB has said that there is not the required capacity among the agricultural advisers, but Jim Walker said that he could only describe the net zero measures as embarrassing because farmers are already carrying out the audits off their own backs.

If we want farmers to be successful and to be part of meeting the net zero targets, surely the ARIOB should be engaging with them to ensure that they are part of it, rather than creating a new group of people in the middle. We should be bringing the economic benefit back to the farmers Vicki Swales described, although perhaps not in those words. We have heard that some are leading the way but that most of the farmers are not carrying this out. I am really frustrated about this, because it seems as though farmers are the last in the group to get the benefit from this.

Vicki Swales: I think that part of the problem is that some of the farmers who were in the farmer-led groups and who you talked to last week are probably among the top-performing farmers. There is a huge difference between the top and the bottom-performing quartiles of farmers in terms of business efficiency, productivity and a load of other metrics.

The farmers in the farmer-led groups are probably at the forefront of the thinking about what the sector needs to do on multiple fronts. They are leading the way. However, the reality is that there are an awful lot of farmers who are not in that position. For various reasons, whether they are to do with economics, knowledge, advisory issues or whatever, they are not in that place. The job of policy and the job of some of this investment is to ensure that all those other farmers get up to where the leading farmers are.

It is about helping farmers to understand that, as the marginal abatement cost curves show, many climate-related measures make good business sense because they will improve a farm's profitability and save money overall. However, not all farmers know that, and not all of them are practising these things. Whether it be education, training and advice, whether it be regulation or whether it be incentives, we need a whole package of things if we are to get every farmer in Scotland where we need them to be if they are to manage their land and deliver the outcomes that we are looking for.

Anne Rae MacDonald: There are sectoral differences, too. A lot of the more intensive sectors—for example, pigs, poultry and, in particular, dairy—have already been driven down the road of having to do certain audits, et cetera, by processors. That will be a key influence on how far they are down the road. Moreover, as Vicki Swales has said and as we have already touched on, there is a massive range in the scale of farming businesses from crofts and common grazings to the bigger intensive units.

The Convener: I call Jenni Minto. [*Interruption*.] I beg your pardon—Martin Kennedy wants to respond.

Martin Kennedy: With regard to preparations for sustainable farming, my view is that uptake this coming year will be far bigger; at least, that is what I am getting from the soil testing company that we use. Back in January, I was number 389 of those who had applied for the soil testing part. We have done—and continue to do—our carbon audits, but that has happened because we have already been involved in the beef efficiency scheme.

As has been highlighted, communication at the start was poor; it is getting better, but the fact is that uptake needs to be a lot stronger. If that does not happen, other countries are going to take the lead. I know that a lot of farmers are already doing this on a regular basis, but, as I have said, I do see uptake increasing.

My personal view—and this is coming from the soil companies—is that a lot of people are now switched on to this and that this year will be the year in which uptake will be far greater. I hope that that happens, and we will be doing our part to try and put that message out. After all, this is a communication issue, and that communication has to come from the Scottish Government. It could be easily done through, say, forms that have to be filled out before the forms that have to be done in May to ensure that people have the opportunity to take this up.

As far as I am concerned, these audits are a necessity, because if we do not do them, other countries will take the lead. We need that to be reinforced, because we need to show where Scotland is. If we do these audits, particularly the carbon assessment that we are now getting on our soils, they will highlight where we are in Scotland in global terms, and that will make a big difference when it comes to trading our products.

The Convener: Tim, you wanted to add a comment.

Tim Bailey: I just wanted to provide some reassurance to Rachael Hamilton by highlighting one particular area of work, quite a lot of which is happening below the radar but is actually to the wider benefit of the entire Scottish cattle sector. In fact, it follows on from the situation that Jim Walker was berating last week when he talked about the industry-related data that is being held

by the ScotEID service in Huntly, which we oversee.

Actually, all that data has now been mined effectively, with dashboards now available to every single cattle keeper in Scotland and utilising the data that they put on when registering, say, the birth and death of animals. The resource is called MyHerdStats, and the information is presented in the form of a performance dashboard that allows every producer to see how efficient their calving is, how their mortality rates are and so on. That can be linked up with other parts of the supply chain with the aim of improving productivity. The resource is free to use and comes off the back of the data that they originally provided.

That brings us to the following key point. This is a start, but how much more can we do? What can we do that does not create a lot of bureaucratic burden but provides opportunities for farmers to make decisions that are built around data? I should make it clear that this resource has been launched and is available to everyone.

The Convener: We were going to move on to that issue in our final questions, but Jenni Minto has a supplementary to close off the issue of the national testing framework.

Jenni Minto: I think that my question falls into this topic of conversation, convener. I am interested in hearing people's views on the monitor farms and how they are feeding into the ARIOB process. Also—I should have asked this the last time—what have you been doing to ensure that tenant farmers are included in the way forward?

Kate Rowell: The next iteration of the monitor farm programme has just started, and we have had the first meetings with the nine farms involved. The idea is very much to use that as a platform to get all this information out. We work with the monitor farmers themselves to see what changes they want to make, and we then cascade that out to the wider community. That absolutely does work.

10:30

I am a past monitor farmer myself, and I know how some of the things that we did 10 years ago have cascaded out. As I say, that approach works, although it needs to be ramped up. There is much more of a focus on business efficiency and sustainability through the whole programme, and there is much more collaboration between the nine monitor farms, so they are not as isolated as they were in previous programmes.

I can assure you that the tenant issue is brought up regularly. Martin Kennedy and I are both tenant farmers, and subjects such as who gets carbon credits in a tenant situation and tree planting are brought up at the ARIOB, albeit probably more on the fringes. I am not talking about specific topics, but tenancies are always a consideration, whichever subject we are considering.

The Convener: We have run out of time but, if nobody is rushing away, it would be good to have another 10 minutes or so on our final question. That would be helpful. We come back to Jim Fairlie.

Jim Fairlie: Thank you, convener—you took me by surprise there.

There are key areas of uncertainty around future policy. Tim, you touched on the subject of data, and there is an issue around where the research gaps are. Martin, you seemed to be disagreeing with Vicki Swales when she was talking about the LFA side of things. What are the differences there as regards what the ARIOB should be doing? What areas of research is the ARIOB using to help to develop the policy?

I will start with you, Martin, as I have cited your comments on LFA. I will come to you after that, Vicki.

Martin Kennedy: I go back to the contentions that we have about LFA and the attempts to come to a consensus, which will be challenging. Our LFA farmers are 100 per cent reliant on that support, on where it is coming from and on what it is delivering, referring to the wider economic points that Jenni Minto mentioned earlier.

Jim Fairlie: Do you have specific research that you are looking at with regard to where the LFA policy should go? Is it based purely on rural depopulation—on keeping farmers where they are? Do you dispute the science that Vicki Swales would perhaps use?

Martin Kennedy: I would dispute the science to the degree that Vicki Swales has used it because, when it comes to LFASS payments going to the better land all the time, that may be the case on a per hectare basis but, on a per business basis, it is going to some of the biggest units that are delivering an awful lot of employment and biodiversity benefits. Considering things purely on a per hectare basis, we should note that the LFA system is designed and set up to recognise where some parts of the sector, particularly on the beef side, are really struggling, so there is a weighting towards that, depending on the stocking density. I will not go into the details but, depending on the stocking density, there is an uplift for supporting beef production, which is extremely important in those areas. Without that, the farmers simply would not be there. It is not just a matter of tweaking things; if that support is not going into the areas concerned, those people will not be there and rural depopulation will happen. I could

practically guarantee that—it is an issue, and we will lose the people.

How do we change that slightly? If we still had LFA support as a direct payment within tier 1 and tier 2, there could be conditions within that for taking part in various options under the enhanced tier 2 payments. That would not be an issue. If farmers are still partaking in carbon audits and doing soil testing—the baseline issues under tier 2—they will be eligible for their LFA payment. That is putting in conditions, but it is still seen as a direct payment.

Jim Fairlie: I will come to you, Vicki, I promise, but I just want to explore this point for a wee second.

If the LFA support is altered in a way that does not support producing calves, those calves are then sold down the country. That, in itself, helps the quality of the soil further down the country. Are you saying that it is not just about keeping people where they are, and that the support builds into the whole thing of how we maintain the carbon in all soils, not just in the hill soil?

Martin Kennedy: It builds into the whole thing. Traditionally, the calves on the hills go down to the lower ground. For example, my father-in-law in Fife fattens some 300 cattle every year. They are not his own cattle—he is a finisher. That is why we have to look at things in a more circular way. As a finisher, he buys calves from the upland areas and puts a lot of dung on his soil. As a traditional farmer, from an arable perspective, his carbon assessment of the soil is very good. That is partly to do with the amount of dung that is going back into the soil.

We cannot look at that issue in isolation; we need to get away from that view. If the effect is to reduce the numbers on the uplands, that in turn will have an effect not only on the viability of our lowland producers who are finishing the cattle—because they can do that far more efficiently than we can—but on our ability to keep our own infrastructure in place. We are seeing that happening already this year, to a large extent. There are huge numbers of cattle now going south of the border—they will no longer be finished in Scotland, and a southern abattoir will get the benefit of that.

Why is that happening? It is because there are now fewer cattle south of the border as well. The impact that that has is massive—

Jim Fairlie: So, we are looking at a critical mass plus—

Martin Kennedy: Absolutely, and at the wider benefits of what—

Jim Fairlie: I am sorry, Martin, but we are really short of time, so I turn to Vicki Swales.

Vicki Swales: I make it clear that I am not arguing against money going into those hill and upland areas. In fact, I am arguing for more money, as they currently get a really poor deal out of the current system. I highlighted that earlier when I said that they are getting only 16 per cent of pillar 1 support, the basic payment and other schemes, yet they make up 50 per cent of the area.

We would take a different approach to how we better support farming and crofting in those areas. We have ideas around the high nature value farming scheme and payment, which could potentially be situated in tier 2 or possibly in tier 3—

Jim Fairlie: How does that feed into ensuring that there is a critical mass of numbers?

Vicki Swales: It is about supporting the high nature value farming and the livestock production that takes place there, and—

Jim Fairlie: Yes, but if there are not enough cattle on the ground in the first place, that system falls down. I graze cattle on the hills, so I fully understand your position, but how does not having enough numbers on the ground support the critical mass as well as high nature value farming?

Vicki Swales: We have to look at the whole package of support that is potentially going into those areas across all the tiers, and at how we support the farming and crofting that is taking place there, which in turn retains the critical mass that you are talking about.

Of course, it is just as important for delivering for nature to have livestock grazing in those places and to have cropping and grazing systems on the machair and in the Western Isles, for example. Agriculture is going to continue, but we are talking about why we are losing critical mass from those places—it is because the current system does not support them very well.

There will also need to be some land use change in some parts of Scotland; we need to think about that, alongside agriculture. There is no pathway that will get us to net zero without transforming how we farm and produce food; without land use change, which will include some woodland expansion; without dietary change; and without reducing waste. That is simply what the science tells us.

There are different choices that we can make within the pathways. At RSPB Scotland, our conservation scientists are currently doing some work, which is being peer reviewed, to look at different pathways. We can just about get to net zero if we deploy every possible tool in the toolkit, but it will mean making some really difficult choices about the future, and it will have some

implications for livestock production in Scotland—that is the simple reality.

However, as I wanted to say earlier, I think that there is some opportunity here. We had a whole conversation earlier about peatland restoration. We are crying out for people with land management skills who can use machinery to do peatland restoration. There are 1.4 million hectares of degraded peatland in Scotland. In the emissions inventory, land is listed as an emitting sector. The sequestering effect of the land, the trees and everything else is not sufficient to counter the emissions from land and, in particular, at present, from peatland.

Sorry—I am going off a bit there. I wanted to emphasise that that opportunity is really important.

Sorry, convener—can I say something else briefly?

The Convener: Very briefly.

Vicki Swales: The academic advisory panel is advising the ARIOB, and there is a lot of research coming in. We need more research into agro-ecological farming methods, because historically a lot of research has gone into the more traditional and conventional farming sectors. The James Hutton Institute and Scotland's Rural College are doing loads of stuff, too. We are drawing on all that work to inform our thinking.

Beatrice Wishart (Shetland Islands) (LD): This is a brief question at the very end. If you have identified any data or research gaps in the course of your work, how are they being, or how might they be, addressed?

Martin Kennedy: We are trying to identify data and research all the time. The FLGs took on a lot of data from a whole range of academic advisers, including data from the SRUC, which was very important from a hill farming point of view, and from the James Hutton Institute. Research institutes are hugely valuable to us, and if there is ever a gap, we will pull in professionals who understand fully the implications in trying to fill the knowledge gap. We have that availability.

One issue that we have not covered, which links back to what Vicki Swales said and is relevant to food production, is the diet issue. That might represent a good opportunity for the committee to listen to Professor Alice Stanton about what red meat does. We in Scotland do so well in that area and others by listening to such research.

I know that you are asking us where we get our data from, but if we identify a data gap, we will fill it by using the professional research institutes that are involved in such research. From a dietary point of view, I suggest that it would be a great opportunity for the committee to hear about the reality of what red meat production actually provides.

Beatrice Wishart: Thank you.

Rachael Hamilton: If 1 per cent of land is producing our energy source of food, Vicki, how can all the solutions to meeting net zero within the sphere of the new replacement for the CAP system be realistic?

Vicki Swales: I am sorry, Rachael, but I am not quite sure what you mean.

Rachael Hamilton: You were talking about the change of land use. I will phrase the question differently. What percentage of what you are doing in overseeing the Scottish Government's work will contribute to meeting net zero targets?

Vicki Swales: Agriculture and how we produce food, and wider land use, particularly rural land use, have an enormous role to play in the sectors and in contributing to our getting to net zero. We should not forget nature, because we face a nature and climate emergency. I think that the evidence to the committee from Chris Stark of the Climate Change Committee was very clear.

Rachael Hamilton: No, it was not. The CCC said that land that should not be kept in full-time pasture was no longer sequestering carbon and that it should go into trees. I have never heard that before.

Vicki Swales: I think that the CCC is saying that, if you think about permanent grassland and its carbon sequestration ability, when it has been there for a long time, it reaches an equilibrium, so it is not constantly sequestering. That is the issue.

With the alternative land use of planting trees, in some cases—particularly with broadleaf woodland—we are planting for the very long term. When you get into commercial forestry and you have short rotations, you have a different carbon cycle going on compared with when you plant broadleaf trees, which might be there for 200 or 300 years and which lock up that carbon as they grow.

It is quite complicated, but I think that the CCC was trying to say to you that agriculture and land use, and the emissions from agriculture and from what is in the inventory under the land use, land use change and forestry category, have a really important role. As other sectors such as transport and housing reduce their emissions over time, that shines the light on agriculture. We cannot produce food without emissions—that is just the reality. We interact with the soil, livestock graze and cows burp. That is just the reality.

The sequestering effect of land is really important in thinking about the overall net position, but the problem with the wider land sector at the

minute is that it is an emitting sector. The inventory shows land use, land use change and forestry—LULUCF—to be a small, above-the-line emitter of greenhouse gases. The reality is that there is a lot of sequestering below the line, which is trees and peatland in good heart soaking up carbon, but because we have so much degraded peatland in Scotland—1.4 million hectares—emissions from the sector are massive. In fact, it is the largest emitting sector of all. Until we bring that down, we will have a real problem.

10:45

The Convener: I think that we are getting into too much detail. I am sure that everybody else would want to give their opinion on that. I am sorry, but we are really short of time, so I am going to stop you there.

Jim Fairlie has a question.

Jim Fairlie: I will make one comment. It is not a question; it is a comment. What concerned me about the evidence that we got last week from the CCC was the use of the word “probably” in relation to reducing the amount of greenhouse gas that is being sequestered.

I have a question for Martin Kennedy. We are talking about uncertainty in future policy. You have said in the past that 97 per cent of the funding comes from the UK Government. If that stops in 2024 or if there is no certainty about it, where do you see us going?

Martin Kennedy: That is a massive risk. We cannot afford that funding to stop. If it does, our ability to produce and to deliver the climate and biodiversity outcomes that we are all trying to achieve will completely disappear. What will happen relates directly to the previous question: production will contract in 85 per cent of our area. That is exactly what will happen.

That relates directly to what will happen on the ground as regards rank vegetation, which has already been highlighted. We then get into the issue of wildfires. We just cannot control them. I will not go into detail, but I have spoken to the Scottish Fire and Rescue Service, which is extremely concerned about the possibility of wildfires if we let rank vegetation go off. We will no longer be keeping it grazed and in a carbon sequestrating state.

I will comment briefly on the equilibrium of that carbon. I will go back to Rothamsted Research and speak to the scientist who produced the report that I mentioned, Andrew Neal. We have depleted soils at the minute, but if we build our soils, we can add to the carbon. It is saturated only if our soil level stays the same.

Jim Fairlie: I would like the committee to invite the UK Government minister to come and address that question. However, are you as an organisation—I am asking the NFU here, given that the ARIOB will not be—speaking to the UK Government about getting an assurance about those payments?

Martin Kennedy: Absolutely. I was in London last week to raise that issue. At every opportunity, we ensure that we do that. It is of absolute importance because that funding, which is £637 million, comes into agriculture directly. Of that £637 million, £620 million comes from Westminster, so it is vital that that continues. It is about keeping our ability to deliver the outcomes that we want to achieve. As I said, I am optimistic. We have a great opportunity to achieve that, but we will not do it without the funding.

The Convener: I will ask the last question. It is quite a difficult one, but you will be able to answer it quickly. It is specifically for the members of the ARIOB.

You all represent a sector of some sort, but those sectors already have lines of communication with the Government. It has been suggested that the ARIOB is just another layer, another way for the Government to stop making decisions and another talking shop. Folk will justify that by saying that the arable sector is forging ahead and not waiting for the ARIOB to advise the Government and the Government to act. Last week, Jim Walker talked about the suckler carbon efficiency programme, which was developed, funded and costed. There has been no progress on that, but it is now being adopted in Ireland.

Can you justify your position? Is the ARIOB not just a talking shop and the reason for the delay and slowness in the production of policy?

Martin Kennedy: Whatever happens, there will be a policy decision. Whatever happens, there will be an agriculture bill; there will be outcomes in primary legislation that deliver flexibility and secondary legislation will come behind it. We are getting to that process pretty quickly.

The industry is desperate to see progress, but if we are not involved in the process now, what will happen? We justify our involvement because, through it, we will get the correct outcomes that will allow us to continue to produce the food that we take for granted and to deliver the outcomes that we are trying to achieve.

The Convener: My question is specifically about the ARIOB.

Martin Kennedy: This is absolutely about the ARIOB; it is still a given, because we have to be involved in steering the direction of travel.

Kate Rowell: The Government has to make those decisions. Quite frankly, I imagine that the reason that most of us agreed to sit on the board was to make sure that we influenced policy in the direction that we need it to go in as an industry. I would totally contest any suggestion that the ARIOB has held the process back. If anything, it has pushed the process forward much more quickly than would have been the case without our involvement.

Anne Rae MacDonald: I totally agree with Kate's point. The ARIOB has been at pains to speed up the process and to ensure that the realities and practicalities of how the policy can be delivered on the ground are heard, front and centre.

Tim Bailey: Absolutely. When we started the ARIOB process, virtually all of us were clear that there were three legs to the stool: the climate emergency, nature restoration and food production. If food production had not been the third leg of that stool, many of us would have not been involved. That is reflected in the vision, and it is reflected in a lot more of the detail that is coming through in the route map and other things. It sounds a pretty basic thing to say, but we put that on record and got that agreed prior to the sad events in Ukraine, which have vindicated our position more than ever. Although it might be only a couple of words, food production is critical, because we will not get nature restoration and tackle climate change unless food producers buy into the process.

The Convener: Thank you very much. I really appreciate the additional 20 minutes that you have given us, because I know that you are very busy people. It has been a really useful session.

That concludes the public part of the meeting. We now move into private session.

10:52

Meeting continued in private until 12:27.

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