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In a phrase borrowed from the late Queen Elizabeth, 2022 may go down in history as another 'annus horribilis'. The year so far has been a tumultuous one with the ongoing war in Ukraine affecting the global commodity and energy markets. The inflationary impacts being experienced across the economy and the subsequent increased business costs are key concerns. AIC is focussed on ensuring that governments across the UK understand and act upon these concerns whether that be through support for business energy costs or clear signals on agricultural support to build confidence in the sector.

On a more positive note, we have experienced one of the warmest Scottish summers on record, and with it reports of high-quality crops and good yields across the country. AIC Scotland has had a busy summer working on a range of issues and returning to the Royal Highland Show after a two-year absence. This provided an excellent opportunity for face-to-face meetings with key stakeholders and government ministers.

We have also been busy over the past few months briefing MPs on a range of agri-supply issues, particularly helping them to understand the key factors impacting the fertiliser market, and the food security implications of reduced application rates. This work is ongoing, and if you would like to host your local MP or MSP at your business to highlight key concerns and aid their understanding please get in touch and we will happily make the arrangements.

AIC Scotland Dinner

After a two-year hiatus the AIC Scotland Dinner returns on the 24th of November at the Westerwood Hotel, Cumbernauld. It's shaping up to be a very popular evening for the Scottish agri-supply industry. Tickets are a very reasonable £65 including VAT, which includes a complimentary drink on arrival, a luxury three-course set menu and entertainment from renowned Scottish comedian and TV star Jim Smith. Tables seat 10, but tickets can be bought individually. Members should have already received a booking link. For further information and enquiries please email julia.corr@agindustries.org.uk



Save the Date – AIC Scotland Meeting – 24th November

As with the aforementioned dinner, the AIC Scotland Joint meeting, sector meetings and AGM will also be held on the 24th of November at the Westerwood Hotel, Cumbernauld. The meetings will commence at 1 pm with a buffet lunch. This is a brilliant opportunity to discuss the main concerns affecting members and to hear updates from our team of sector heads. To book your place at the meeting please email julia.corr@agindustries.org.uk



Scottish Agriculture Bill – Policy Update

Scottish Government recently launched a consultation on proposals for a Scottish Agriculture Bill. Members are encouraged to look at the document and provide any feedback to AIC Scotland. Further information can be found at [Delivering our vision for Scottish agriculture - proposals for a new Agriculture Bill: consultation](#) via the gov.scot website.

We would also ask individual businesses to consider completing the consultation – which closes on 21st November – alongside AIC Scotland's submission. The consultation lacks specific detail about support arrangements, but it is envisaged that this Bill will act as an enabling piece of legislation covering how powers will be used and certain support arrangements coming through in what is known as secondary legislation.

The proposals aim to create a broad and adaptive framework which will enable a range of outcomes to be supported, e.g. food production, climate mitigation and biodiversity improvements. The aim is for a flexible approach, thus allowing support to change as circumstances change, and the timetable for implementation is likely to be from 2026 onwards. The Bill also seeks to improve resilience, efficiency, productivity and the deployment of tech and innovation for farmers and the Agri-supply chain.

Key Points to note from the consultation

- Recognition of the need to flexibly work within the UK frameworks, taking into account UKIM impacts.
- Seeks to have broad alignment to EU CAP objectives i.e., fair income for farmers, and generational renewal.
- Scottish Government remain committed to direct support for active farmers.
- 4-Tier payment structure:

Tier 1 Direct payments – income support – conditional on essential standards, i.e. whole farm plan, greening, active farming criteria. (Non-competitive)

Tier 2 Direct payments – support for additional measures to deliver outcomes, i.e. menu options including sustainable farming practices, and improving business resilience. (Non-competitive)

Tier 3 Elective payments – targeted support measures i.e., nature restoration, innovation support, supply chain support.

Tier 4 Delivery of CPD, advice, tree-planting, voluntary coupled support, i.e. beef calf scheme.



Scottish Government
Riaghaltas na h-Alba

Royal Highland Show 2022

The welcome return of this event gave us a chance to meet with industry stakeholders to discuss issues affecting the whole supply chain. AIC met with the NFUS presidential team to discuss areas of common concern, including our joint calls for early support payments to farmers to help bolster confidence and ensure production continuity.

There was a discussion on GE and how we could work together to build a consensus on this technology's benefits to Scottish agriculture. We also discussed concerns around the ongoing lack of detail on future policy. AIC remains concerned about some of the detail published in the SG Vision document, including the proposed reduction of agro-chemical inputs as opposed to a focus on optimising inputs. We also had the opportunity to meet with SQC and their new Chief Executive Teresa Dougall. Key areas discussed included the development of digital grain passports and whether there was support for sustainability standards to be included within SQC standards, e.g. a carbon audit.

AIC Scotland was also able to secure meetings with both the Secretary and Under Secretary of State for Scotland (Alister Jack and Malcolm Offord) and Minister for Green Skills and Circular Economy Lorna Slater MSP. These provided valuable opportunities to raise the profile and importance of the agri-supply industry, but also to highlight some of the key concerns members have, such as the increasing costs of production – labour, electricity, fuel. Lorna Slater is the minister with responsibility for pesticides in Scotland, so along with other members of the Scottish Voluntary Initiative we were able to highlight the importance of maintaining a broad range of plant protection products (PPPs) to help maintain productive agriculture. This is particularly important in the context of ongoing supply-chain disruptions and the need to ensure food security.



ROYAL
HIGHLAND
SHOW 2022
23 - 26 JUNE
PARTNER SINCE 1981
Royal Bank
of Scotland



NFUS presidential team with Robert Sheasby and Ian Muirhead



Robin Barron (AIC Scotland Chair), Andrew Moir SQC, Teresa Dougall SQC, Robert Sheasby.



Alister Jack & Robert Sheasby

In Tandem with RSABI

The Royal Highland Show also marked AIC Scotland becoming an official member of RSABI. To mark the occasion AIC Chief Executive Robert Sheasby and Ian Muirhead took part in the Challenge 125 indoor cycling event. We look forward to supporting RSABI and the great work they do for the wider industry.



Cleaner Air for Scotland 2 – Voluntary Code of Practice

AIC sits on the CAFS 2 Agriculture working group, which was set up to help develop Scottish Government policies to reduce agricultural emissions of ammonia and nitrous oxide. The group has been working to input into the development of voluntary codes which will be the focus for reducing emissions. AIC has been able to highlight the role of on-farm advice how that advice can help to reduce emissions through more efficient practices. The code also proposes the precision application of slurry for contractors and larger units (defined as 100+ milkers, 200+ beef cattle, 800+ sows/pigs) from 1st January 2023, and 2027 for smaller units.



Food Standards Scotland Visit

As part of our ongoing engagement with FSS, we were delighted to host a group of newer FSS staff by the kind permission of William Davidson at his Shotts feed mill. The staff taking part in the visit work in vital areas such as GMO regulation, feed additives and risk assessment of new products. Technical Manager Simon Williams gave an overview of AIC assurance schemes and the crucial role they play in ensuring safe feed. The mill tour helped FSS officials get a better understanding of the practicalities of feed production.



AIC Joins Scottish Red Meat Resilience Group

AIC Scotland was recently invited to join this cross-industry stakeholder group led by QMS. This provides another forum in which the whole supply chain can speak with one voice on issues of strategic importance.

Most recently the group met at the SRUC Bush Estate for a tour of their green cow facility and the ongoing research into reducing emissions from livestock production to improve sustainability credentials. Crucially, this type of work builds the evidence base required in the face of pressure to reduce emissions and rebuff claims made by anti-meat groups. The group has also been working to give a cross-industry response to the recent biodiversity strategy consultation and to develop position papers across a diverse range of areas, including developing the skills of the next generation and identifying gaps in education and training. If you have any thoughts on issues the group should be looking at, please do email ian.muirhead@agindustries.org.uk to give your input.

