

Environment, Climate Change and Land Reform Committee

Climate Change (Emissions Reduction Targets) (Scotland) Bill

SUBMISSION FROM NFU Scotland

Introduction

NFU Scotland welcomes the opportunity to provide evidence on this Bill. Climate change is one of the greatest challenges that we face and in setting more stretching targets for emissions reductions this Bill will play an important part in framing future farm policy decisions.

Climate change is a critically important issue for Scottish farming because, on the one hand, the farmers and crofters of Scotland are on the front line in experiencing the impacts of climate change. They will increasingly have to adapt to changing weather patterns and increased volatility in order to maintain their businesses and to continue to produce high quality food. On the other hand, agriculture is a source of greenhouse gas emissions and farmers and crofters also have an important role to play in helping tackle the collective challenge that we face. The policy decisions that could be made to secure reductions in emissions from agriculture will potentially have a major impact on the industry.

It is right and proper that Scottish agriculture shows willingness to play its part in addressing the challenges presented by climate change and opportunities exist for farmers and crofters to do this in a way that is also to the benefit of their businesses. NFU Scotland is committed to playing a positive role in that effort.

Views on the content of the Bill

NFU Scotland supports the approach taken by the government in the Bill.

The government had a range of choices from keeping the 80% target with subsequent reviews to increase ambition, setting a 'stretch' target for a reduction in greenhouse gas emissions of 90% by 2050, or setting an even greater stretch target of 100% reduction from baseline by 2050 (net-zero). There is a great deal of pressure for a net-zero target, but the government has chosen 90% as the realistic option given the Committee on Climate Change's advice that even that is on the limits of feasibility.

Clearly there are debates to be had about the merits of setting aspirational targets for the future that might not be feasible at the moment but which might be achievable with future technological development. Aspirational targets are intended to pull in the right direction, however putting aspirational targets into legislation is fraught with danger and potentially creates problems for future administrations should the hoped for technological developments not emerge.

NFU Scotland has a great deal of sympathy and common cause with some in the environmental movement that are calling for a net-zero target. We acknowledge the challenge that we face and recognise that more work needs to be done to reduce agricultural emissions. We even joined forces with many environmental organisations to emphasise the need for a just transition towards carbon-neutral farming.

Subsequent discussions with Scottish Government have, however, highlighted that a net-zero or 100% target for the economy as a whole would require the government to put in place a range of mechanisms in a revised Climate Change Plan that would be harmful to Scottish agriculture and to the food and drink sector. That sector, which is aiming to double the value of the industry to £30bn by 2030, is hugely important to the Scottish economy and, crucially, depends on agricultural production. We also understand that it is not the case that those measures could be 'end-loaded'; they would need to be implemented quickly to ensure that the industry gets on the right trajectory to meet the targets.

In this context, we very much welcome the fact that the Scottish Government recognises and accepts the challenges that exist in reducing emissions in the agriculture industry. The Cabinet Secretary for the Environment, Climate Change and Land Reform has acknowledged that if we set targets too high it is perfectly possible that these targets could not be achieved other than by reducing food production in Scotland, which will not assist us either nationally or globally. We would, in effect, be exporting our emissions.

We understand that if a net-zero target were set, the sequestration that would be possible through tree planting, for example, is not likely to be enough to reach net-zero and so reductions in emissions in all sectors would be required and while there is much that could be achieved through efficiency savings the scale of the reductions required takes us into the realm of having to find ways of reducing output. That translates to a declining agricultural and food sector.

Consequently, while NFU Scotland remains committed to seeking to do all it can to help move the industry in the right direction, we support the government's approach of setting a 90% target by 2050 rather than net-zero (albeit accepting that the Bill provides for the government re-visiting the target and potentially setting a net-zero target in future). The 90% target is already extremely stretching and will present the agricultural industry with a very large challenge. Legislating to make that challenge even greater takes us into the realms of undermining an industry we should be nurturing.

We need more resources, not evermore stretching targets

The agricultural sector is criticised for its poor performance in terms of reducing emissions. The latest Committee on Climate Change report (which refers to the UK as a whole rather than just Scotland) said that cost-effective reductions of agricultural emissions are not being delivered with emissions unchanged in 2016 and that agricultural emissions are above all indicators that would be needed to ensure the appropriate reductions path. Consequently, one argument that might be made is that a net-zero target is needed because it will force the government into policy decisions that enhance emissions reductions.

However, NFU Scotland believes that we need more resources, not evermore stretching targets.

The Scottish Government has so far focused on following a voluntary approach. We strongly support this. We believe that we will achieve much better outcomes in the long run if people are encouraged to tackle emissions rather than be forced to through the use of regulation. By taking a voluntary approach we are encouraging farmers to change practice in a way that potentially also enhances their business; tackling climate change can be seen as a positive.

While the voluntary approach is criticised by the Committee on Climate Change, we believe we have not really given it a proper chance to work. This is partly because of the resources devoted to it. At present, the main mechanism that the government utilises to achieve behaviour change amongst farmers is the Farming for a Better Climate (FFBC) initiative which raises awareness of climate friendly farming methods. We very much support this initiative, but the government currently only spends £375,000 each year on it. While there are other strands of activity that the government could point to through which climate advice is delivered, if climate change is such a high priority for the government and society as a whole, surely there is a strong justification for enhancing this funding and the capacity of the initiative substantially. There are also other options such as government/industry-led market-oriented approaches focusing on enhanced returns based on environmental performance e.g. Origin Green in Ireland.

This apparent lack of prioritisation is also reflected in the internal Scottish Government policy staffing resource devoted to agriculture and climate change, which, we understand, is 1 FTE. The government does fund a wide range of research on climate change and agriculture and teams looking at climate change in general, but there is one key person that focuses on agriculture. Again, if reducing emissions in agriculture is such a priority we might expect this to be reflected in the capacity the government devotes to supporting change in the industry.

Lets focus on working together

Reaching the 90% target will be very challenging for the farming industry and we believe that while the government's recognition of the challenges for farming is welcome, the government can also do much more to lead the way in this area. We acknowledge, however, that progress cannot only be about the government. NFU Scotland has an important role to play and we stand ready to play our part.

There is at present a lack of urgency and leadership. We have not, as a collective of government and industry working together, managed to develop a sense of priority and urgency about climate change. There are good reasons for this given the context of Brexit and the potential change in agricultural policy, but there is also an opportunity for government and organisations working together to set the agenda.

What we should avoid is discussion of targets getting in the way of constructive action. We have already seen that discussion of a net-zero target starts to drive a wedge between different organisations and between farming and environmental interests that need to be working together. It would be better to focus our collective efforts on delivering what is feasibly achievable today.

Social change is difficult

NFU Scotland would emphasise that achieving widespread change in an entire industry made up of thousands of SMEs is an involved social process that takes time. In this respect agriculture is very different to other industries. We need to invest a great deal of energy and resource to approach the issue in such a way that we embed thinking about reducing emission in routine decision making in a positive way. How we go about it really matters.

There are opportunities here to facilitate change in the industry in a constructive and positive way, but government and industry need to work together to lead the way.

NFU Scotland believes that an enhanced voluntary approach is the best way forward. If the government were to regulate to reduce emissions the whole issue would end up being perceived as an additional burden on the farmer, potentially undermining the outcomes desired. A regulatory route might be an efficient way for the government to operate, but it is not the way to engender any sense of collective effort against a common challenge.

Carbon reporting

We believe that farmers tend to get a bad deal in climate change discussions because of the way that the inventories work and that a way needs to be found to recognise all that farmers are delivering. As we understand it from research colleagues in the research institutes and from government officials, agriculture is defined in the greenhouse gas inventories in a very specific way, such that it can only be an emitter of gases. The activities of farmers that sequester carbon or produce renewable energy are recorded in other sectors' inventory figures. So while agriculture is responsible for emissions associated with food production –viewed as a negative—the farmers undertaking that food production will also be responsible for sequestration through tree planting, soil management and peatland restoration or protection—viewed as a positive. Yet the relative balance of those positives and negatives is not acknowledged because only one side of that balance sheet, the negative, counts as agriculture. It doesn't matter how much sequestration a farmer might be delivering, potentially offsetting their agricultural emissions, their agricultural emissions still have to be reduced.

As such, we believe it would be useful for the government to develop and maintain a farming and climate accounting tool that re-works the inventory data so that it more clearly reflects the contribution that farming is delivering.