

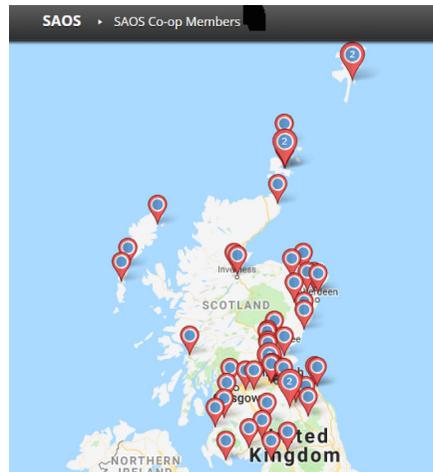
SAOS's Manifesto for Scottish Food and Farming A Farming Future, Working Together



Background

Scottish agriculture produces output worth over £3bn per year and employs over 65,000 workers. Its primary produce underpins much of our food and drink exports within an overall food and drink industry valued at £15bn per annum.

SAOS is Scotland's leading rural development organisation, owned by the agriculture co-operatives who are the farming sector's 'engine room'. Our 60 co-op businesses produce £1.5bn turnover each year, involving a collective 25,000 members. They are a critical part of every rural community and are spread widely, from the Northern Isles to the far South West of Scotland.



There are successful co-op businesses across all sectors, from beef and lamb, to pork, venison, dairy, cereals, fruit and veg, potatoes, flowers, shellfish and forestry. There is also an extensive network of farmer buying groups and machinery rings, co-ordinating the effective and cost-efficient supply of labour, inputs, training and commodities to over 7,000 farming members.

The Future Needs for Food and Farming

There are a number of market opportunities that Scottish farming can seize, and enormous challenges that must be grappled. The reality is that none of these will be managed effectively if the sector doesn't work better together, swiftly, and as a whole.

SAOS believes there are four key priority areas that the next Scottish Government should focus on to help sustain our industry for the future:

Strategic Priorities

1. Identify and develop opportunities to add value to agricultural produce and to increase wider market opportunity and access, across the food supply chain
2. Promote the development and uptake of all forms of agricultural co-operation and its benefits
3. Support the food and farming sector to adapt positively to the climate emergency
4. Empower farming through development, ownership and uptake of its own technology

Adding Value to Farm Produce

There is an urgent need to enable all farming business to realise more value from the food they produce for Scotland and beyond. This can be best achieved by reducing the reliance on commodity production, and by opening up opportunities to diversify into other market channels.

To enable this to happen, SAOS would like the next Scottish Government to commit to:

- Funding a significant, annual investment in a future Food Processing and Marketing Scheme
 - 1) to at least the levels invested in recent years, ideally more
 - 2) increasing the availability and prioritisation of funding for farmers to work together collaboratively
 - 3) support collaborative supply chains where producers and processors commit to work together for mutual benefit.
- Enabling the Scottish National Investment Bank to provide capital to support the development and operation of co-operative food processing enterprises that underpin the financial and social sustainability of rural communities.
- Providing funding to support the further development and operation of novel local food supply chains where food producers work together to provide extensive, resilient and cost-effective food for local consumers.
- Funding pre-apprenticeship and skills development programmes to ensure that in the future agricultural businesses have both the number and quality of skills to fulfill the opportunities ahead.
- Working collaboratively with DEFRA, and other UK departments and agencies, to secure supportive policy for many of our co-op members, including accessible export markets within the EU for seed potatoes, and sufficient access to seasonal worker labour required in the production of fruit, vegetables and flowers.

Increasing agricultural co-operation

Scotland has the highest degree of agricultural co-operation in the UK (circa 30%) but at levels significantly lower than observed in mainland Europe, where uptake is often more than 60-70% across their farming sectors.

There is significant interest from farmers to work together more, but often it is difficult for them to know where and how to start, and which operational frameworks are suitable to progress. There is a willingness to co-operate, but it won't happen by itself without strategic intervention. SAOS would like the next Scottish Government to:

- Invest in a 'Future Farming Together' programme, modelled on a similar, very successful one that Australia implemented, which provides structured support and advice across all sectors and farming types.
- Commit to introducing and funding a Producer Organisation model across all farming sectors, modelled on the EU Fruit and Veg Aid scheme which incentivises producers to work together to meet consumer, market and environmental requirements, with structured programmes and match funding.
- Continue to invest in successful agricultural innovation and development programmes, such as the Knowledge Transfer and Innovation Fund and Rural Innovation Support Service.

Positive adaptation to the climate emergency

Climate change is the biggest threat facing our country in the years ahead and farming has committed to playing its part reducing its emissions whilst continuing to feed our nation. There are a number of developments ahead which SAOS actively supports, including the recent Farmer-Led Climate Groups.

Co-operative ventures play an integral role in this positive adaptation, as early adopter businesses, and through their ability to implement change across hundreds and thousands of their members in a cost-effective and aligned way. SAOS would like to see the next Scottish Government provide further assistance by:

- Supporting the development, pilot and operation of environmental and natural capital co-operative ventures, to make positive environmental improvements and retain value within the farming sector and participating farm businesses.
- Enabling and prioritising co-operative and other collaborative farming ventures to access 'green capital', through grants and interest-free loans to invest in renewable and low carbon technology.
- Incentivising the development and deployment of a 'green fuel' infrastructure network, through the manufacture, supply and use of renewable liquid or gas fuel to replace those currently used by tractors, grain dryers and other farm processing activity.

Empower farming through technology

Farming is no different to any other business sector - innovation is key to business success.

Currently, many farming businesses in remote and rural communities are significantly disadvantaged by the lack of access to adequate, let alone high-speed, broadband. This hampers the operation of their existing business, and restricts and prevents business development for the future. The Scottish Government has provided significant investment to attempt to overcome this, but the nature of rural communities and the dispersed network infrastructure, make this difficult to access through initiatives such as the Broadband Voucher Scheme unless a) someone leads the initiative by navigating the complex process and, crucially, b) that everyone participates to draw down the money available to meet the overall cost.

SAOS believes that the next Scottish Government can remove this barrier by:

- Enabling the farming and rural sector to be treated as a single community, organised into local areas, and where the funding and infrastructure deployment can be facilitated independently through a planned, co-ordinated approach.

In addition to improving farming's underlying connectivity, there is a further need for investment in agri-technology, including smart, low-powered sensors, robotics and drones. These and other tools can be utilised to make farm businesses more efficient and productive and in doing so, assist climate change mitigation. The next Scottish Government can accelerate the uptake of these and other technologies by:

- Investing in a Sustainable Technology Innovation Programme that provides grant support for the purchase and use of eligible agri technologies.

