

**NORTH EAST SCOTLAND AGRICULTURE ADVISORY GROUP**

**COMMITTEE ROOM 5, WOODHILL HOUSE, ABERDEEN**

**WEDNESDAY, 19<sup>th</sup> SEPTEMBER, 2018**

- Present:**
- Aberdeenshire Council** – Provost W Howatson (Chair), Councillors S Duncan, A Forsyth (as substitute for Cllr Robertson), J Hutchison, J Ingram, and J Whyte
  - Aberdeen City Council** – Councillor N MacGregor
  - Angus Council** – Councillors K Braes, C Brown and B Myles
  - Moray Council** – Councillor T Eagle
  - Aberdeen University** – A Cameron
  - Aberdeen & Grampian Chamber of Commerce** – AA Blain
  - Farm North East** – E Gillanders
  - Frontier Agriculture** – B Ferguson
  - James Hutton Institute** – Prof K Thomson and Dr LA Sutherland
  - LANTRA** – S Howden
  - NFUS** – C Adam, A Simpson and D Winton
  - Opportunity North East** – P Cook
  - RSPB** - H Maggs
  - RICS** – L Irwin and D Strang Steel
  - SAC Consulting** – D Ross
  - SAOS Limited** – J Booth
  - Scottish Enterprise** – G Ford
  - SGRPID** – S Lorimer
  - Visit Scotland** - Jo Robinson
- Apologies:**
- Aberdeenshire Council – Councillors D Robertson and I Taylor
  - Aberdeen City Council – Councillors B Crockett and A MacKenzie
  - Angus Council – Councillor A Macmillan Douglas
  - Moray Council – Councillors D Bremner
  - Aberdeen University – Prof D Roberts and Prof B Slee
  - Aberdeen & Grampian Chamber of Commerce – C Phillips
  - Dr B Pack OBE
  - Forestry Commission Scotland (Grampian Conservancy) - J Nott
  - NFUS – L Paterson
  - SAC Consulting - A Laing
  - SEPA - P Wright
  - SLE – D Fyffe
  - SRUC – K Black and K Rundle
- Officers:**
- R Matheson, Service Manager ED & PS (Aberdeenshire Council)
  - A Reid, Team Manager ED & PS (Aberdeenshire Council)
  - M Brebner, Team Manager ED & PS (Aberdeenshire Council)
  - D McDonald, Industry Support Executive ED & PS (Aberdeenshire Council)
  - J Davidson, Environmental Planner P&BS (Aberdeenshire Council)
  - A Ziarkowska, Committee Officer (Aberdeenshire Council)
- In presence of:**
- D Duguid MP
  - Simon Turner (Peter Chapman's office MSP)
  - K Mutch (Colin Clark's office MP)
  - C Beattie (Mairi Gougeon's office MSP)

## 1. WELCOME, INTRODUCTIONS AND DECLARATIONS OF INTEREST

The Chair welcomed everyone present to the meeting. Members were asked if they had interests to declare. No declarations of interest were intimated.

## 2. PUBLIC SECTOR EQUALITY DUTY

In taking decisions on the undernoted items of business, the Partnership **agreed**, in terms of Section 149 of the Equality Act 2010:-

- (1) to have due regard to the need to:-
  - (a) eliminate discrimination, harassment and victimisation;
  - (b) advance equality and opportunity between those who share a protected characteristic and persons who do not share it, and
  - (c) foster good relations between those who share a protected characteristic and persons who do not share it; and
- (2) to consider, where an equality impact assessment had been provided, its contents and to take those into consideration when reaching a decision.

## 3. MINUTE OF MEETING OF 18<sup>th</sup> APRIL, 2018

The Minute of Meeting of 18<sup>th</sup> April, 2018 was circulated and **approved** as a correct record.

## 4. MATTERS ARISING

No items were reported.

## 5. PRESENTATION BY RODDY MATHESON, ABERDEENSHIRE COUNCIL: NORTH EAST AGRICULTURE AND DIGITAL CONNECTIVITY

The Chair invited Roddy Matheson – Service Manager (Industry Sectors) Aberdeenshire Council to present an update on the current status of the Digital Connectivity Project in Aberdeenshire. Mr Matheson gave a brief overview of three programmes currently in place.

**1/ Rest of Scotland Programme (RoS):** Mr Matheson advised that RoS programme is a Scottish Governmental-led programme aimed at maximising the number of premises “passed by fibre” (ie with access to fibre infrastructure). This meant that the cheapest premises were upgraded first which was to the detriment of rural areas where there is also a larger number of exchange-only lines and “long lines”. Mr Matheson indicated that the programme will deliver upgrades until the end of 2017 by which time it is expected that some 89% of eligible addresses in Aberdeenshire will be passed by fibre, though the number able to access a 24 Mbps download speed will be lower than that primarily because of the large number of long lines.

In Aberdeenshire the number still to be upgraded is likely to be around 12,000, which includes many new builds in the period from 2012, compared to over 82,000 premises upgraded so far. Mr Matheson advised that other big challenges in Aberdeenshire are the wide geographic distribution of premises and the number of exchange-only (EO) lines, which at 46% of the total is around twice the national average. Because EO lines are connected directly to the exchange they have to be dealt with individually, which makes them more expensive to upgrade. Mr Matheson advised that without public intervention only around 25% of Aberdeenshire

addresses would have been able to access fibre broadband. He explained that Openreach is the only company with fixed link digital infrastructure in most rural areas and they did not find it commercially attractive to cover the remaining 75%, so the RoS programme was addressing a market failure situation. Mr Matheson indicated that the only publicly funded solution on offer to premises not passed by fibre is a connection voucher which is generally sufficient to fund a Ka band satellite installation or access to any wireless services available, including mobile phone based services. It was reported that so far, 300 installations have been commissioned in Aberdeenshire under the BDUK/Avanti satellite pilot.

**2/ R100:** Mr Matheson advised that the R100 programme is the successor to the Rest of Scotland project and that the Minister for Connectivity had announced that it will prioritise rural areas. The minimum speed being targeted is 30 Mbps and the aim is that 100% of addresses in Scotland can access a broadband service offering this download speed by 2021. Mr Matheson pointed out that £600m has been allocated to the programme and that whilst desired outcomes can be stipulated, SG had to remain technology agnostic in their negotiations with potential suppliers. He advised that the Universal Service Obligation announced in the last Queen's Speech under David Cameron's premiership will be expensive to deliver and that a contribution from individual end users may be required.

Communities wishing to "self-help" can consider a project involving Community Broadband Scotland (CBS) which is being refocused on helping communities to develop and operate their own service. Mr Matheson pointed out that if fibre is available nearby, and there exists a reasonably close cluster of premises in the locality, another option is to enter a Community Fibre Partnership (CFP) with BT. The Community would be responsible for part-funding the work and helping to negotiate agreements on wayleaves. Under CFP, BT would "adopt" the infrastructure, so that the community would have no maintenance costs to meet in future.

**3/ Mobile Phone Service and Coverage Upgrades:** Mr Matheson explained that at the end of 2014, mobile network operators Vodafone, Three, EE and O2 agreed with the UK Government to spend £5bn on new infrastructure to improve coverage and services by December 2017. The commitment made will see each operator offer 4G services to 90% of the UK's land area (by region) and 95% of the population. Mr Matheson pointed that this is a significant improvement over previous coverage obligations which were based on population. He listed other changes either agreed on or under consultation such as: Signal strength to be measured indoors rather than outside; Commercial rates on masts in sparsely populated areas may be reduced /waived (50% of the operating costs of a mast are rent and rates); and that Rental for mast sites may move to a system of wayleave payments (as for pylons and poles) to make mast costs more uniform. Mr Matheson also advised that the mobile phone operators have joined forces to 'mast-share' (Vodafone/O2 and EE/Three) in two groupings and these partnerships aim to deliver around 40 new masts in Aberdeenshire as well as upgrading most existing masts. He also reported that EE (which is now owned by BT) has won a Home Office contract to build a national emergency wireless network – this is scheduled to build around 500 masts of which approximately 380 would be in Scotland.

During 2018, OFCOM announced that the mobile network operators had met their coverage and service obligations but that there was a disparity across the nations – coverage in Scotland being poorer than in England for example. At a Scottish Select Committee evidence-gathering session on digital connectivity, one witness stated that only 12% of Scotland's land area had 4G coverage from all four operators – if this is correct, it illustrates the scale of the challenge remaining.

## **6. PRESENTATION BY MARTIN BREBNER, ABERDEENSHIRE COUNCIL: BREXIT IN 15 MINUTES**

The Chair invited Mr Martin Brebner – Team Manager, Economic Development & Protective Service from Aberdeenshire Council to talk about Brexit.

Mr Brebner discussed the final steps that the government has to complete for Brexit to be completed. This starts in November 2018 with a draft withdrawal agreement, continuing to March 2019 with the approval, from UK parliament, European Parliament and EU Member States, of the legislation. The transition period will begin on the 30<sup>th</sup> March 2019, ending on the 31<sup>st</sup> December 2020. Mr Brebner explained what the draft withdrawal agreement contained as of June 2018, including the Operational agreements of Citizen rights and goods placed on the market and the Policy agreements on the Irish border and State Aid. He also explained that the government had not made an agreement on the judicial and administrative procedures, police and judicial co-operation and protected geographic indications (PGI).

Martin Brebner outlined the UK Government's Position by summarising the "Chequers Agreement". This includes: a common rulebook for all goods including agri-food; regulatory flexibility for services; common state aid rules; maintain high regulatory standards for the environment, climate change, social, employment and consumer protection; facilitated customs agreement; leave CAP and CFP; an independent trade policy; and to end free movement. Mr Brebner continued by setting out the European Commission position which derived from the mandate from Member States. The European Commission position involves: a partnership with the UK in the future; Customs Union/Single Market option; need to maintain integrity of single market; no terms more advantageous than being a member State; EU to retain autonomy in decision making; free trade agreement; and a backstop proposal for the Irish border. Mr Brebner identified the main difference between the positions of the UK government and the European Commission. These were: the role of EU institutions, especially sovereignty (Court of Justice vs Parliament); separate rules for goods and services; custom arrangements; and the Irish border.

Mr Brebner considered the implications of the UK coming out of negotiations with a "No Deal" Scenario. These would involve: legal uncertainty for citizens and businesses; destabilising effect; rapid change to the UK economic model; a potential extension to the status quo; and contingency planning.

Post-Brexit funding arrangements for structural programmes was also explained. Mr Brebner advised that the UK Treasury has guaranteed funding up until end of 2020. Some programmes in Scotland are due to end earlier. Farm payments are guaranteed up until 2022 and will then be followed by a "transition period". The future budget is unclear and the powers that the UK/Scottish Government will hold are also unclear.

Finally, Mr Brebner advised that there could be potential changes as a result of the Post – Brexit trade agreement including customs arrangements and new trade. Mr Brebner identified some potential changes to trade post Brexit including new customs partnerships; increased paperwork; and possible localisation or internationalisation.

## **7. PRESENTATION BY DAVID ROSS, SAC CONSULTING: ARABLE SECTOR UPDATE**

The Chair invited Mr David Ross, Regional Development Manager from SAC Consulting to present an update for the arable sector.

Mr Ross explained that in 2017, land usage in NE Scotland comprised 184,707 hectares of arable and 432,374 hectares of grassland out of the total of 617,081 hectares. In relation to grassland areas, Mr Ross explained that 60,983 hectares is less than 5 years old, 141,016 hectares is 5 years old or over, 225,362 hectares is rough grazing and 5013 hectares is common grazing.

In relation to cropping, Mr Ross identified advised that 101,241 hectares was spring barley, 17,907 hectares was fallow, with 17,897ha in winter barley and 15,554ha in wheat. Mr Ross further explained that there was a decrease in cropping areas from 186,999 hectares in 2014 compared to 184,707 hectares in 2016.

In relation to mean temperature, Mr Ross explained that the summer in 2018 was significantly warmer than summer 2017, which particularly affected arable areas south of Stonehaven. In relation to rainfall, Mr Ross advised that summer 2018 was drier than summer 2017, which affected crops on thin and lights soils. Crops on soils with higher levels of organic matter fared better.

In relation to the impact of the weather in 2018 for the arable farmer, Mr Ross explained that there was a slow spring, variable crop emergence/ growth and low disease pressure. Mr Ross explained that although the '3 crop' rule had been relaxed, the decision came too late for most farmers. In conclusion, there had been variable harvest results across the NE: Mearns yields were generally below average while Central/North areas were above average. Some farms had recorded record yields of wheat with low drying costs, good grain quality and specific weight. Straw yields had however been sharply reduced.

#### **8. PRESENTATION BY BRUCE FERGUSON, FRONTIER AGRICULTURE LTD: SUPPLY AND MARKETING TRADE**

The Chair invited Mr Bruce Ferguson from Frontier Agriculture Ltd to talk about the agricultural supply and marketing trade.

Mr Ferguson opened his presentation with a graph showing global supply and demand of wheat over the past ten years. This revealed that in 2017/8 wheat production had increased by 3.5 million metric tonnes (mmt) from the previous year to a record 757mmt. Wheat consumption 2017/8 had also increased by 2mmt when compared to the previous year. Wheat stocks were up by 13mmt in 2017/8 to a record of 268mmt, of which 48% is held by China. Mr Ferguson continued by discussing Scottish arable production. It is predicted that there will be a decrease in Scottish arable production of 2.73mmt in 2018/2019 – down from 3mmt on the previous year. Mr Ferguson then set out Scotland's total wheat production by region. The North East produced 119,500 tonnes of the Scottish Wheat total of 816,000 tonnes. Moving on to barley, Mr Ferguson indicated that in 2018 the UK produced 2.5 mmt of barley, the second highest volume producer behind France (4.5 mmt). He noted that NE Scotland was a key producer of malting barley.

Mr Ferguson closed his presentation with a summary of the 2018 harvest, noting that Concerto and Laureate were the dominant varieties grown in Scotland in 2018 for the malting market. Soil type, organic matter status and previous cropping history had all had had a significant impact on yield and quality. Nitrogen levels in spring barley - a key factor for distillers - have been variable; however buyers have relaxed the nitrogen specification this year to accommodate slightly higher levels than usual. Mr Ferguson explained that current supplies of feed barley were low and there will be no feed barley export activity out of Scotland. Mr Ferguson advised that the final harvest data would be collated by the end of October to allow a better understanding of what has been a very variable harvest in 2018.

#### **9. PRESENTATION BY CHARLIE ADAM, NFUS: LIVESTOCK SECTOR UPDATE**

The Chair invited Mr Charlie Adam - Livestock Committee Chairman at NFU Scotland - to cover livestock farming issues in Scotland and the work of NFU Scotland in support of the sector.

Mr Adam opened by saying that NFU Scotland is fighting for a bright and profitable future for Scotland's livestock farmers. Mr Adam described work underway on the Scottish electronic system for cattle identification carried out by ScotEID - along with the current issues facing the livestock sector such as the viability and profitability of the sector, market price, costs of production, weather impact on crops, availability of crop by-products for cattle feed, future changes to the farm support system and subsidies. He advised that livestock numbers of almost all types have declined due to the low financial returns. Mr Adam observed that the industry in general has not as yet found routes to profitably expand cattle and sheep numbers and there were concerns over the implications of reduced livestock volumes for the embattled meat processing sector.

Thereafter, the reference was made to Brexit - a 'no deal scenario' and potentially serious market implications for the UK's beef and sheep sectors. Mr Adam reported that the UK currently exports more than £380 million worth of lamb and sheep meat, with the vast majority going to the EU market, and so the Government in its future trade talks with the EU must ensure that UK has measures in place to continue to allow tariff free and unfettered access to export markets in Europe. Any imposition of barriers to trade as a result of Brexit would adversely impact thousands of sheep and cattle farming businesses across Scotland and the UK.

Mr Adam concluded by stating that future support for the food and farming sector must deliver on-farm profitability to ensure there is a critical mass of cattle and sheep for the processing sector and to drive productivity across the supply chain.

#### **10. PRESENTATION BY JO ROBINSON, VISIT SCOTLAND: RURAL TOURISM UPDATE**

The Chair invited Ms Jo Robinson, Visit Scotland Regional Director for Aberdeen, Aberdeenshire, Moray and Speyside to provide a rural tourism update.

Ms Robinson set out the value of rural tourism to Scotland by presenting an array of statistics. She highlighted that 52% international visitor trips to Scotland involve visiting rural or coastal areas while the value of domestic visitor spend in rural areas is £633 million. Ms Robinson advised that of the 32 local authorities in Scotland, only 8 have a rural population comprising over 50% of the total. Aberdeenshire is the only local authority to have a tourism employment ratio (8.1%) and tourism GVA contribution (2.3%) which is less than the national average (tourism employment – 10.4% and tourism GVA contribution – 3.4%). Ms Robinson explained that the reason for the distinctiveness of Aberdeenshire's economic profile in rural tourism is due to the proximity to Aberdeen and its broad industrial mix.

Ms Robinson defined agri-tourism as a rural enterprise which utilises a working farm environment for the purpose of attracting tourists. Agritourism is not rural tourism however rural tourism can include agritourism. Ms Robinson illustrated the benefits of agritourism by citing that diversified farm businesses generated around £17,400 more income per annum compared to those that have focused solely on farming activities. Agritourism addresses consumers' desire to connect to nature, to obtain value for money and to enjoy a unique and authentic experience on-farm. Ms Robinson identified the drivers of change as social media, rise in popularity of organic products, a desire to counter the trend of urbanisation and consumer awareness of food provenance. Research revealed customer expectations included the wish to enjoy a unique and sustainable experience (accommodation, attractions and activities) and to sample artisanal produce. Ms Robinson named Austrian Farmstay, Polish Organic Farms and Agriturismo in Italy as overseas examples of this trend. Tourism offerings with potential to capitalise on this trend included providers of atypical accommodation (the quirkiest the better, apparently), whether bed and breakfast or self-catering; with tours and activities associated with production (such as ice cream production) or scenic environments (such as wild landscapes or botanic gardens); also farm shops; rural recreation activities not

directly connected to core farming activities and properties, building or spaces with potential for hosting special events such as weddings.

## **11. PRESENTATION BY DAVID STRANG STEEL, STRUTT & PARKER: THE LOCAL LAND MARKET**

The Chair invited Mr David Strang Steel – National Partner and Real Estate Specialist from Strutt & Parker in Banchory to present an overview of the Local Land Market.

Mr Strang Steel advised that the Scottish farmland market had been influenced by a number of events over the last few years including the decision by the UK to leave the EU, delays in government subsidy payments, pressures on commodity prices, the potential for a second Scottish referendum and tighter bank lending criteria. He suggested that the same factors are likely to continue to influence the market and generate uncertainty. Mr Strang Steel explained that rural property market consists of certain subcategories including farmland, forestry, fishing market, residential property and letting. He briefly characterised each subcategory and provided an update on their performance.

In respect of the Scottish farmland market, Mr Strang Steel indicated that the average price of arable farmland has dropped from around £5,400/acre in 2016 to £4,200/acre in 2018. He outlined the factors causing decrease in value including Brexit uncertainty, change to the support system in 2015, difficult harvests in recent years in 2017 (flooding) and 2018 (drought), the ageing population of farmers and the structure of farm borrowings.

In respect of forestry, Mr Strang Steel pointed out that this is the best performing asset class and one which generates an excellent, tax efficient return right across UK with prices for woodland reaching up to £3000 per acre.

In relation to rod fishing sector, it was reported that the value of catching had dropped significantly over last few years – by around 50% when compared to 2012. Mr Strang Steel identified several reasons for the situation and future consequences.

In respect of residential property market, Mr Steel referred to the 20% drop in value for rural properties in recent years and outlined the factors causing negative impact including changes to the Local Development Plan and the large number of new housing developments which were creating oversupply in housing stock.

In relation to the letting market, Mr Strang Steel advised on two important changes in law - namely the introduction of the new private residential lease arrangements which led to more restrictive rules on repossession; and the introduction of minimum Energy Efficiency Standards requirement - as from the 1<sup>st</sup> April, 2018 there is a standard requirement for any properties let in the private rented sector to achieve a minimum energy performance rating of E on its Energy Performance Certificate (EPC). The regulations came into force for new lets and renewals of tenancies on 1<sup>st</sup> April, 2018 and will take effect for all existing tenancies on 1<sup>st</sup> April, 2020. Mr Strang Steel advised that both factors will have a significant adverse impact.

Mr Strang Steel concluded by stating that the future for every farmer in North East Scotland involves a large degree of uncertainty, with UK farm debt hitting a record high while commodity prices are expected to continue to be volatile.

## **12. PRESENTATION BY DR ANDREW CAMERON, UNIVERSITY OF ABERDEEN: FORESTRY OVERVIEW**

The Chair invited Dr Andrew Cameron from University of Aberdeen to provide an overview on commercial forestry in Scotland.

Dr Cameron advised that the worldwide consumption of industrial timber is currently over 5 billion tonnes per year and that usage has been rising by 3% per year due to population growth, rapid industrialisation and the use of timber in “green” energy. The United Nations Food and Agricultural Organisation (2018) warns that an increase in international demand for timber and the push for “green” energy will bring about a major shift from a global wood surplus to a wood deficit. Dr Cameron explained that a future deficit in supply would result in pressures on the world’s remaining indigenous forests for timber. Currently, around 5% of the world’s forest area is plantation forest, but it produces one third of the world’s industrial timber. By 2050, at current trends, the proportion coming from plantation forests will be less than one quarter.

Dr Cameron advised that the gap between demand and supply from plantation forests will probably require to be met by increased production from natural and semi – natural forests. Many of these forests are already under severe pressure from human activity and current demands for timber. It was suggested that increasing demand will inevitably result in higher levels of illegal logging, causing further damage and loss to the world’s most endangered forests.

The UK’s dependence upon imported timber products was highlighted - the UK is currently the second biggest importer of timber and timber products in the world. Dr Cameron advised that the forest area in Scotland is currently 18.5% of land area compared to the EU average of 37%. Timber production in Scotland is currently 10 million m<sup>3</sup> per annum and the volume production in Scotland will rise to around 12.7 million m<sup>3</sup> by mid-late 2020s. However it will decline to only 8 million m<sup>3</sup> by 2050s, due to a sharp decline in the planting of commercial forest species over the past 20 years. Indeed 65% of all new planting in Scotland in the last 5 years were of “non-commercial” broadleaved plantations. Dr Cameron advised that the lack of new planting, when combined with the loss of existing commercial forest area due to the creation of wind farms and by planting non-productive species has meant that the productive forest area in Scotland has been shrinking by around 5000 hectares per year over the past 10 years. Dr Cameron advised that the industry is worth over £1 billion annually to the economy of Scotland and that the industry employs over 25,000 people.

Dr Cameron explained that there was a need to expand the productive forest area in Scotland. Land availability is less of a barrier to tree planting than the need for land owners to see the economic and environmental advantages of planting trees. Dr Cameron advised that there is a need to incentivise land owners to plant trees and explained that Forestry Commission Scotland has launched a new grant scheme which offers better financial support for productive forestry and the planting of conifers to help meet the Scottish Government’s new planting target of 10,000 hectares per year.

Dr Cameron then turned to the link between forests and climate change and advised that the Scottish Government is committed to expand the forest area from its current level (18.5%) to 25% by 2050 as part of its commitment to climate change mitigation. Dr Cameron explained that investing in productive coniferous forestry plantations works out at between £3-4.5 per tonne of CO<sub>2</sub> capture while Carbon Capture and Storage (CCS) was estimated to cost a minimum of £50 per tonne of CO<sub>2</sub> captured.

Dr Cameron explained that more needs to be done to educate the public that forests are much more than nice places to visit – that they are vital to future rural employment and prosperity and to the wider economy of Scotland.

Dr Cameron concluded his presentation by stating that there should be less deliberating about who owns the land and more focus on getting land owners to plant trees on it, reminding the group that the forests will be there long into the future producing a sustainable raw material that creates wealth, employment and prosperity.

### **13. SUMMARY BY PETER COOK, OPPORTUNITY NORTH EAST**

The Chair invited Mr Peter Cook – the Director of Food, Drink & Agriculture at Opportunity North East to summarise all presentations and outline key points flowing from the discussion.

In respect of Digital Connectivity, Mr Cook observed that unlocking the digital potential of rural areas in Scotland could add billions to the economy and that the small and micro rural businesses would benefit the most from greater adoption of digital tools and services in their operations. He also indicated that although the under-delivery of digital connectivity in rural Scotland is still an issue, recent developments and a range of new technologies can help deliver next generation connectivity. In the context of Brexit, Mr Cook highlighted that Brexit talks at the present time on proposals/options for trade arrangements are creating a lot of uncertainty in the industry due to unknown potential implications for future agricultural policy and rural Scotland. Thereafter, Mr Cook pointed out that despite the 'Brexit noise' the biggest current issue for the industry is the weather in 2018 and its severe impact on livestock and crop production. He went on further to describe the very unclear and mixed picture of the Scottish livestock and processing sector and highlighted the importance of global market forces to local crop production. Reference was made to the potential of agri-tourism and that it remains less well developed in the North East than in other regions of Scotland. Mr Cook observed that local land market continues to be characterised by low levels of supply, suggesting that Brexit uncertainty is limiting the level of land coming to market. There were however opportunities in farm woodlands: in biomass, high quality timber, tourism, amenity and sporting which would improve a farm's capital value and its long-term resilience, as the new asset is created.

In conclusion, Mr Cook said: 'Grow wheat if you want to be well off for 5-10 years; grow trees if you want to be well off for 20 years; grow people if you want to be well off for ever.'

### **14. DATE OF NEXT MEETING**

It was **agreed** that the next meeting of the North East Scotland Agriculture Advisory Group would take place on Wednesday, 5<sup>th</sup> December, 2018 in Woodhill House, Aberdeen.

