

**NORTH EAST SCOTLAND AGRICULTURE ADVISORY GROUP**  
**VIRTUAL MEETING**  
**WEDNESDAY, 7 SEPTEMBER 2022**

**Present:**

**Aberdeenshire Council** – Councillors J Goodhall (Chair), G Blackett, A Evison, F Joji, H Powell, A Ross, I Taylor, I Walker and Cllr David Mair  
**Aberdeen City Council** – Councillors D Clark, N MacGregor, and K van Sweeden.  
**Aberdeen & Grampian Chamber of Commerce** – Andrew Askew Blain.  
**Bank of Scotland** – P Reid.  
**Food and Drink Federation Scotland** – M Stalker.  
**James Hutton Institute** – Prof Lee-Ann Sutherland.  
**LANTRA** – N Evans.  
**Moray Council** – D Van Der Horn.  
**NFUS** – K Gilbert and L Paterson.  
**Opportunity North East** – Peter Cook.  
**RICS** – L Irwin  
**Royal Society for the Protection of Birds** – K Cunningham.  
**SAC Consulting** – D Ross.  
**Scottish Agricultural Organisation Society** – J Booth.  
**Scottish Land & Estates** – S Emery.  
**Scottish Forestry** – S Hutcheon.  
**SRUC** – S Thomson.

**Apologies:**

**Aberdeenshire Council** – J Savege  
**Aberdeen City Council** – A Scott  
**Confor** – A Armstrong  
**James Hutton Institute** – Prof D Roberts  
**Lantra** – L Barron-Majerik  
**Moray Council** – Councillor K Robertson  
**NFUS** – C Adam, R Hay, A Simpson  
**RSPB** – H Maggs  
**SEPA** – P Wright  
**SRUC** – R Graham  
**VisitScotland** – D Jackson

**Officers:**

**Aberdeenshire Council** – N Chidester, Assistant Committee Officer; D McDonald, Industry Support Executive; and A Mcleod, Committee Officer.

**1. APPOINTMENT OF CHAIR**

The Committee Officer called for nominations for the appointment of the Chair of the North East Scotland Agriculture Advisory Group.

Councillor Blackett, seconded by Councillor Ross, moved that Councillor Goodhall be appointed as Chair of the Group. There were no other nominations and Councillor Goodhall was duly appointed Chair of the North East Scotland Agriculture Advisory Group.

Councillor Goodhall took the Chair for the remainder of the meeting.

## **2. WELCOME AND INTRODUCTIONS**

Industry Support Executive, Derek McDonald briefly introduced all in attendance.

Members were asked if they had any interests to declare. Councillor Taylor declared an interest in respect of Item 7 as an owner of a private water supply.

No other interests were declared.

## **3. EQUALITIES**

In taking decisions on the undernoted items of business, the Committee **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 has been provided, its contents and to take those into consideration when reaching a decision.

## **4. MINUTE OF MEETING OF 26 JANUARY 2022**

Following the Local Government Elections in May there was just one returning Elected Member of NESAAAG (Cllr Neil MacGregor). As he was not present during the meeting of 26 January, 2022, the recommendation of Officers and External Members was accepted that the Minute of Meeting of 26 January 2022 was accurate, and it was approved as a correct record.

## **5. MATTERS ARISING**

The Council's Emergency Response procedures and presentations from the meeting of 26 January 2022 had been posted to the NESAAAG webpage.

A question arising from the presentation by the CEO of Scottish Pig Producers concerning the loss of feed to gulls was covered under Item 12.

## **6. PRESENTATION: AGRICULTURE POLICY UPDATE BY STEVEN THOMSON, SENIOR AGRICULTURAL ECONOMIST, Scotland's Rural College (SRUC)**

Members **noted** a presentation on the new Agriculture Bill by Steven Thomson, Senior Agricultural Economist at SRUC. At present, £506.9 million of agricultural support is distributed variably across the beef, sheep, dairy, and crop sectors in Scotland (annually). The North East of Scotland had the largest share of funding compared to other regions, with proportionally more support in the beef and crop sectors. In the North East, there were large numbers of recipients who received very little funding, as well as a large number who received a significant amount of funding.

The dairy sector is the only one which does not follow this trend. The average amount of support provided per recipient in the North East was approximately £30,000, compared to £50,000 in the Scottish Borders. Applying a measurement of 'standard output' per unit, Shetland received the most funding (£0.71), with the North East receiving £0.22 (with the Scottish average at £0.24).

The drivers for policy change were not purely agriculture, but were focused on biodiversity, agriculture emissions, and food security. The vision for agriculture, as set out in the consultation, is to transform farming support and food production, and for Scotland to become a global leader in sustainable and regenerative agriculture. The framework sought to deliver high quality food production, climate mitigation and adaptation, nature restoration, and wider rural develop. The Bill also supports farmers to meet sustainability objectives, continues to support active farming with direct payments, and remains aligned with new European Union measures.

The recently published Bill, now open to consultation, provides for the creation of a primary legislative framework and will be followed up next year with secondary legislation to add detail. The current Bill is designed to be flexible, to cover future eventualities. It includes high level details of new tenancy rules and also equality and fair work principles. However, the Bill does not detail future support payments – this will follow later. Mr Thomson suggested the policy has been drafted in one of the biggest periods of agriculture reform for the Scottish Government in which a different balance of goals is needed.

Within the Bill's proposals, 50% of all direct support payments will have enhanced conditionality with over 90 different conditions which were not presently well understood. Mr Thomson's key message was that direct support payments would continue. He concluded by reviewing how support would be provided after 2025 within a four-tier payment system including: base payments, enhanced payments, elective payments and complementary support (eg rural development and forestry). Budget allocations for the four tiers has not been provided. The Bill contained very little on EU alignment beyond redistributive support and internal convergence. Determination of the baseline 'regions' for support was still ongoing.

The Chaired thanked Mr Thomson and invited questions from members. Questions and comments focused on why the Bill lacked detail, on farming succession plans, concerns about the complexity in the support system, including the future need for consultants to complete funding applications, and on the ideal farm of the future.

## **7. PRESENTATION: SHAPING THE FUTURE BY PROF LEE-ANN SUTHERLAND, DIRECTOR OF THE INTERNATIONAL LAND USE STUDY CENTRE, JAMES HUTTON INSTITUTE**

The Chair introduced Professor Sutherland (Director of the International land Use Study Centre at the James Hutton Institute) who reviewed the institute's role in helping to shape the future of agriculture.

Members **noted** her presentation. She provided a general background of James Hutton, the 'father of geology' and of the institute (JHI) named after him. It comprises 500 employees, 110 PhD students, 11 'spin-in' companies (ie ventures which have co-located onto the JHI campus), and is the largest group of rural social and economic scientists in the United Kingdom. JHI hosted a number of important scientific research facilities including the Potato Collection (genetic resources), the National Soils Archive and Database, and the Virtual Landscape Theatre. JHI did a significant amount of work around land mapping and land use modelling.

Professor Sutherland highlighted her team's work, including the Farmer Intentions Survey (an analysis of Brexit responses), succession and new entrants, diversification, environmental measures, women in agriculture and crofting. She then briefly reviewed global challenges such as climate change, energy, land use, freshwater supplies, food production and how they were impacting Scotland. The remainder of her presentation focused on the significance of JHI's flagship initiatives including: the Advanced Plant Growth Centre, the International Barley Hub, the 'Hydro Nation' International Centre, the Glensaugh Climate-Positive Farming Initiative (HydroGlen) and the International Land Use Study Centre. Professor Sutherland invited NESAAAG members to a site visit of Glensaugh.

A question and answer session then followed covering questions about how to engage with a sufficiently broad range of stakeholders, genetic modification, microscale production, engagement with young people, land capability, the balance of biodiversity and carbon neutral goals, and groundwater supply.

**ACTION 1: Derek McDonald to arrange a future site visit to Glensaugh for NESAAAG members to view the HydroGlen project**

**8. PRESENTATION: FOOD, DRINK AND AGRICULTURE ACTIVITY BY PETER COOK, DIRECTOR, FOOD, DRINK & AGRICULTURE, OPPORTUNITY NORTH EAST**

The Chair introduced Mr Peter Cook, director of Food, Drink, and Agriculture at Opportunity North East.

Members **noted** his presentation on the food and drink sector. Mr Cook began his presentation by introducing Opportunity North East (ONE), a privately funded economic development organisation with a 10year time horizon, (currently in year 6). The Wood Foundation had committed funding of £62 million to catalyse growth in five specific sectors in NE Scotland to reduce the region's dependence on the oil and gas industry. ONE operated as a partner and match funder for projects, programmes and sharing expertise, and did not fund companies. ONE's operating model is one of partnership working, funding up to 50% of projects. The five key development sectors were: Food, Drink & Agriculture, Life Sciences, Tourism, Digital Technology and Energy.

Mr Cook reviewed the current status of the food, drink and agriculture sector and why it was a priority for the North East, citing the large number of direct jobs (22,000 approximately), the high share of national output, the potential for growth, and future opportunities. He then reviewed sectoral challenges including recent low growth, stagnant productivity, primary processing with low value add, weak low margin food chains, retailer centralisation, and policy pressures.

ONE priorities included maximising market opportunities, assisting entrepreneurs, digital transformation, skills and people, industry leadership and transformational projects. Mr Cook reviewed each priority in turn and provided specific examples of ONE's efforts. Of particular note was the SeedPod project, a physical facility funded by the Aberdeen City Region Deal, with a £4 million contribution from ONE. This will be a hub for the North East food and drink manufacturing sector and will include business incubator units, manufacturing testing space, meeting rooms, and high specification commercial kitchen facilities.

Questions and comments focussed on collaboration with Cairngorms National Park, promoting food and drink tourism (eg the Provenance Festival), the market demand and supply of shared commercial kitchen space, and energy costs for small business owners.

**ACTION 2: Councillor Blackett to invite Peter Cook to a Cairngorms National Park Authority meeting**

**ACTION 3: Derek McDonald to liase with Peter Cook to investigate shared commercial kitchen space and report back to NESAAG**

**ACTION 4: Lee-Ann Sutherland to connect Peter Cook with Leanne Townsend and Sharon Flanigan about digital diversification**

**ACTION 5: Derek McDonald to share the Graduate into Business and Food and Drink Award videos with Members**

## **9. REPORT: NESAAG PARTNERSHIP REVIEW**

A report had been circulated to facilitate the review of NESAAG as part of Aberdeenshire Council's Partnership Working Policy. The policy required a review of all partnerships every two years. An updated copy of Terms of Reference was also presented to the Group.

Following comments from members about the useful connections and valuable information provided by NESAAG, members confirmed their support for the continuation of NESAAG.

Councillor Van Der Horn queried the number of representatives available to Moray Council. Derek McDonald confirmed 5 positions were available and that Moray Council would be entitled to nominate an additional 3 Councillors. It was also **noted** that the membership of NESAAG had broadened in recent years to reflect the increasing diversity of the land-based sector and that additional, relevant, industry representatives could be added to the NESAAG membership.

Thereafter, Members **agreed** the new Terms of Reference.

## **10. REPORT: ARRANGEMENTS FOR FUTURE MEETINGS**

Prior to the COVID 19 pandemic, meetings of NESAAG were held in person and were said to provide invaluable opportunities for networking and relationship building. Although meetings were moved online, high levels of engagement had continued. Virtual meetings provided greater accessibility for attendees and speakers but may not have fostered the same level of networking. Members discussed considerations for hybrid and virtual meetings including cost of fuel, climate change, networking, catering provisions, and expressed a desire for site visits.

The group **agreed** that the NESAAG meeting scheduled for 23 November should be a 'hybrid' meeting if possible – with some participating in person and others attending virtually via Microsoft Teams - and for future meeting arrangements to be kept under review. Details regarding catering and equipment required for those attending in person would be provided in advance of the next meeting.

## **11. BULLETIN: NEW AGRICULTURAL BILL CONSULTATION**

A bulletin had been circulated summarising the new Agriculture Bill consultation issued by the Scottish Government on 29 August 2022. Members noted the bulletin and were invited to contribute to a NESAAG response. The Industry Support Executive **agreed** to compile and circulate a draft response for Members to review prior to the consultation deadline. The response would reflect the presentation and discussion points arising in Item 6.

## **12. BULLETIN: LIVESTOCK FEED LOSS ISSUE**

At the last meeting of NESAAG on 26 January, 2022, Councillor Bremner requested information about the cost and other implications on the loss of pigfeed to gulls at outdoor pig unit feeding stations. Following consultation with Andy McGowan, Chief Executive of Scottish Pig Producers and others, a report was circulated for Members.

Members **noted** the report, including the significant, non-quantifiable financial loss and the introduction of disease. Councillor Van Der Horn indicated he would share the bulletin with the former Moray Councillor David Bremner and queried why the impact of flies, rats, and other animals was not also included in the report.

## **13. ANY OTHER COMPETENT BUSINESS**

No items were raised.

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

The next meeting of the North East Scotland Agriculture Advisory Group was scheduled for 10.00 am on Wednesday, 23 November 2022. It was **agreed** the meeting would potentially be hybrid, with attendees joining via Microsoft Teams and in person at Woodhill House, in Committee Room 5.

Summary of action points:

**ACTION 1: Derek McDonald to arrange a future site visit to Glensaugh for NESAAG members to view the HydroGlen project**

**ACTION 2: Councillor Blackett to invite Peter Cook to a Cairngorms National Park Authority meeting**

**ACTION 3: Derek McDonald to liase with Peter Cook to investigate shared commercial kitchen space and report back to NESAAG**

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