

## Agriculture report card – research and references

Growing the **economy** and tackling the **climate emergency** are two core priorities for Scottish Government. Agricultural reform and prioritising Nature-based Solutions are key to delivering both but are hampered by delays, missed opportunities and broken promises.

### **Promise 1: Transformation of support for farming and food production for Scotland to a global leader in sustainable and regenerative agriculture.<sup>1</sup>**

#### **Reality in 2025: The status quo of the Common Agricultural Policy continues...**

- Direct Payments will continue with 70% of the farming budget allocation for Tiers 1 and 2.
- Greening (part of Direct Payments) in Tier 2 continues, with some modifications to Ecological Focus Areas.
- Agriculture Environment and Climate Scheme (AECS) continues, unreformed.

#### **How this limits delivery of Scottish Government priorities**

<b>Economy</b>	<b>Climate</b>
Direct Payments are an outdated mode of income support which do not go to the farmers and crofters most in economic need: 40% of claimants already make a profit without direct payments. <sup>2</sup>	Direct payments support farming practices which contribute to climate change. <sup>5</sup>
Direct payments made under the Common Agricultural Policy over 2014-2020 reduced innovation, development and growth. <sup>3</sup>	Scottish Government evidence shows Direct Payments had little environmental benefit and, in some cases, a negative impact. <sup>6</sup>
Around 80% of farmed land is not in an AECS agreement – a missed economic opportunity for farmers. <sup>4</sup>	Greening has not changed management practices and made negligible environmental or climate impacts. <sup>7</sup>
	Minimal synergy between Greening and AECS means more missed environmental opportunities. <sup>8</sup>
<b>Child poverty and public services</b>	
Rural poverty accounts for 16% of all poverty in Scotland. Rural poverty is less visible than in urban areas and harder to measure. Children and young people are vulnerable to the risk of poverty in rural areas because their needs tend to be invisible behind the ‘rural idyll’. <sup>9</sup>	
Farming has one of the highest rates of mortality of any industry, accounting for 24% of workplace deaths. Suicide rates are the highest in any occupational group along with high rates of depression, and four out of five farmers in Scotland under the age of 40 consider mental health to be the biggest problem facing the agricultural community. Financial stress is one of the key drivers. <sup>10</sup>	

**Promise 2: By 2045, Scotland will have restored and regenerated biodiversity across our land, freshwater and seas, halting biodiversity loss by 2030.<sup>11</sup>**

Reality in 2025: Changes to farmland practices are not happening at the pace or scale needed to regenerate biodiversity, nor is restoring nature at scale across landscapes and catchments.

- Nature is still in freefall with one in nine species in Scotland at risk of extinction.<sup>12</sup>
- There is a nature finance gap in Scotland estimated to be £15-27 billion.<sup>13</sup>
- The AECS budget was £29.6m in 2024-25 . To be equivalent with 2017 levels, it should be £55m<sup>14</sup>, still a fraction of the £1.8bn needed per year to deliver nature and climate commitments through the management of farmland.<sup>15</sup>
- Slow development of agricultural reform means AECS is the holding scheme for delivering multi-landholder (landscape scale) restoration – with no corresponding budget uplift and limited information on timescales and process for development of ARP’s Tiers 3 and 4.<sup>16</sup>
- No facilitation funding available to support farmer collaboration at scale through, e.g. Farmer Clusters.<sup>17,18</sup>
- Regional Land Use Partnerships, a key mechanism for facilitating collaboration, have not materialised beyond a handful of pilots.
- Outwith AECS, just £5m was granted for Nature Networks to local authorities from the Nature Restoration Fund in 2023/24, and £5m for habitat restoration.<sup>19</sup> A paltry £1.8m from the Facility for Investment Ready Nature in Scotland supported private investment in natural capital in 27 nature projects.<sup>20</sup>

**How this limits delivery of Scottish Government priorities**

Economy	Climate
<p>Scotland’s natural capital is estimated to have an overall asset value of £196 billion, supporting nearly 200,000 jobs.<sup>21</sup></p> <p>Biodiversity loss and environmental degradation are linked to worsening economic prosperity and wellbeing<sup>22</sup> and pose significant risks to the UK economy potentially reducing GDP by an estimated 12%.<sup>23</sup></p> <p>Biodiversity loss impacts the provision of both barley and water in Scotland, with potential detriment to the whisky industry which adds £7.1 billion in gross value added to the UK economy annually.<sup>24</sup></p>	<p>The climate and nature emergencies are inextricably linked.</p> <p>Declining biodiversity makes tackling the climate crisis even harder. Habitat loss and degradation increase the intensity and likelihood of wildfires, floods and droughts and susceptibility of crops, animals and humans, to pests and diseases.</p>
<p><b>Child poverty and Public Services</b></p> <p>Flooding and drought, pollution and wildfires affect the whole of Scotland’s population not just those living in rural and agricultural areas, as does the decline of much-loved species such as the red squirrel and Atlantic salmon and pollinators.</p>	

### **Promise 3: Scotland will reach net zero emissions by 2045 including a 31% reduction in agricultural emissions by 2032<sup>25</sup>**

#### **Reality in 2025: no credible strategy with sufficient delivery mechanisms for reducing emissions...**

- Scotland's woodland creation target of 18,000ha for 2024-25 revised down by Scottish Government to 10,000ha.<sup>26</sup>
- Peatland restoration rates of over 14,000ha exceeded targets in 2025<sup>27</sup> but Scotland still has a long way to go with 90,000ha being restored since 1990 – and a goal of restoring 110,000ha by 2026 and 250,000ha by 2030.<sup>28</sup>
- Land Use and Just Transition Plan has not materialised.<sup>29</sup>
- Around 75% of Scottish agricultural GhG emissions are from livestock<sup>30</sup> with 50% of these from methane<sup>31</sup> but methane suppression pilot schemes have not happened.<sup>32</sup>

#### **How this limits delivery of Scottish Government priorities**

<b>Economy</b>	<b>Climate</b>
<p>By 2050, the economic costs of climate change could be 1.2% - 1.6% of GDP per year<sup>33</sup> and cost the public sector £1.1bn a year.<sup>34</sup></p> <p>More extreme and severe weather threatens Scottish farmers' livelihoods. Extreme weather in Scotland contributed to losses of up to £161m for Scotland's farmers in just one year.<sup>35</sup></p> <p>No strategic direction exists for those relying on Scotland's land and agriculture sector for their livelihood, skills, health and wellbeing to a Just Transition.</p>	<p>Scotland will miss its climate budgets without support for farmers to diversify their incomes away from livestock farming and towards woodland creation, peatland restoration and agroforestry.<sup>36</sup></p>
<p><b>Child poverty and Public Services</b></p> <p>The economic impact of climate change to the economy places further strain on public finance – with potential further cuts to public spending which disproportionately impact those most in need.</p>	

## References / Notes

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- <sup>1</sup> [Scottish Government's Vision for Agriculture](#)
- <sup>2</sup> [Scottish Environment LINK, 2023](#)
- <sup>3</sup> [Scottish Government, Agriculture and Rural Communities \(Scotland\) Bill: supporting evidence and analysis](#)
- <sup>4</sup> [NatureScot](#)
- <sup>5</sup> [Scottish Environment LINK, 2023](#)
- <sup>6</sup> [Scottish Government, Agriculture and Rural Communities \(Scotland\) Bill: supporting evidence and analysis](#)
- <sup>7</sup> [IEEP, 2018](#)
- <sup>8</sup> [IEEP, 2018](#)
- <sup>9</sup> [SRUC 2020](#)
- <sup>10</sup> [SRUC 2023](#)
- <sup>11</sup> [Scottish Biodiversity Strategy to 2045](#)
- <sup>12</sup> [State of Nature Scotland 2023](#)
- <sup>13</sup> [Green Finance Institute 2021](#)
- <sup>14</sup> [Scottish Environment LINK 2024](#)
- <sup>15</sup> [RSPB, National Trust, The Wildlife Trusts 2024](#)
- <sup>16</sup> [ARP Routemap updated in May 2025 with timetables for Tiers 3 and 4 development removed](#)
- <sup>17</sup> [Interreg 2021](#)
- <sup>18</sup> [GWCT 2024](#)
- <sup>19</sup> [Scottish Government 2024b](#)
- <sup>20</sup> [Scottish Government 2024b](#)
- <sup>21</sup> [ONS 2020](#)
- <sup>22</sup> [HM Treasury Dasgupta Review 2021](#)
- <sup>23</sup> [Green Finance Institute 2024](#)
- <sup>24</sup> [University of Edinburgh and Scottish Wildlife Trust 2024](#)
- <sup>25</sup> [Scottish Government Update to the Climate Change Plan 2018-2032](#)
- <sup>26</sup> [Confor 2024](#)
- <sup>27</sup> [Scottish Government 2025](#)
- <sup>28</sup> [NatureScot 2025](#)
- <sup>29</sup> [Scottish Government 2023](#)
- <sup>30</sup> [WWF-Scotland 2019](#)
- <sup>31</sup> [ClimateXChange](#)
- <sup>32</sup> [Scottish Parliament, 2024](#)
- <sup>33</sup> [Scottish Government 2024a](#)
- <sup>34</sup> [Scottish Fiscal Commission 2024](#)
- <sup>35</sup> [WWF-Scotland, 2019](#)
- <sup>36</sup> [Climate Change Committee 2025](#)