BVA response to Scottish Government- Stability and Simplicity: proposals for a rural funding transition period

Who we are

1. BVA is the national representative body for the veterinary profession in the United Kingdom and has over 17,000 members. Our primary aim is to represent, support and champion the interests of the veterinary profession in this country, and we therefore take a keen interest in all issues affecting the profession, including animal health and welfare, public health, regulatory issues and employment matters.

2. BVA’s Scottish Branch brings together representatives of the BVA’s territorial and specialist divisions, government, academic institutions and research organisations in Scotland. The Branch advises BVA on the consensus view of Scottish members on Scottish and United Kingdom issues.

Introduction

3. The veterinary profession is an integral part of the agricultural and food sectors. Clinical and non-clinical veterinary surgeons, working collaboratively with others, protect animals, people and the environment they share. Veterinary surgeons provide preventive healthcare and treatment for livestock, as well as carry out surveillance, promote good biosecurity, promote high animal health and welfare and optimise productivity and sustainability.

4. Veterinary surgeons negotiate, draft and uphold necessary legislation and international standards. By carrying out surveillance and enforcement from farm-to-fork, Official Veterinarians (OVs) certify the trade in animals and animal products thus contributing to economic prosperity and the sustainability of food production. The future of Scottish agri-food production is therefore of great interest and importance to the veterinary profession.

5. After 2020, Scotland can decide whether it wants to continue paying income support to farmers in line with the Common Agricultural Policy (CAP) or whether it is an occasion to reinvent policy.
6. Brexit provides the opportunity to develop a strong, competitive and innovative food industry which enjoys the confidence of customers at home and abroad. A new agricultural policy should be both ambitious and focussed on delivering outcomes.

Transitional arrangements

7. CAP is the EU policy to provide financial support to farmers in member states. CAP payments are an important part of farm incomes in Scotland. Scotland currently receives around 17% of the total UK CAP budget. All of Pillar 1 funding comes from the EU. Pillar 2 funding comes partly from the EU and partly from the Scottish Government. In the UK, EU farm subsidies currently make up around 50-60% of farm income.¹ NFUS places the figure in Scotland higher, stating “agricultural support made up 66% of total income from farming in 2016.”²

8. Any change in policy must be cognisant of this dependence and properly examine any consequences. Any decision will also be made within a context of considerable uncertainty about future trading relationships with the EU and other countries. Agriculture, as a sector, is particularly exposed to any disruption in trading relationships with the EU and other countries.³ Any requirement for veterinary checks on animals and products of animal origin at ports could reduce the efficiency of produce moving to European markets and place additional administrative costs upon farmers.

9. This uncertainty means it will be difficult to assess the full impact of the withdrawal of direct payments to farm incomes. More challenging will be determining the impact on the wider rural economy that deliver goods and services to farms. Farm animal veterinary practices in the UK represent an important service sector to livestock farmers, and act as means to detect disease and enforce animal health and welfare legislation. Ensuring the continued capability of farm animal practice as a means of achieving the public goods of animal health and welfare should be properly assessed by the Government.

10. BVA is supportive of the Scottish Government’s plan to provide a transition/implementation period which aims to provide land managers with stability and confidence to invest in their businesses and thereby deliver public benefit.

11. While a period of stability is welcome, where there is scope for improvement this should be exploited. This time should also be used to develop and trial an ambitious new agricultural policy that is focussed on delivering outcomes. BVA believes that

¹ House of Commons Library, EU Referendum: Impact on UK Agriculture Policy, 2016
³ House of Commons Library, Briefing Paper Number 8065, 1 August 2017 Importance of trade with the EU for UK industries
the following objectives should be embedded within a new agricultural policy for Scotland.

Objectives for a future agricultural policy

Support animal health and welfare as public goods

12. The Scottish Government should utilise public money to incentivise and support animal health and welfare outcomes as public goods. Public goods by their very nature, are not market goods in the same way as livestock products such as meat or milk. Public goods have no explicit value in terms of market prices and so the market cannot efficiently allocate resources to them. Other means therefore must be used – such as the intervention of Government in the form of regulation or financial support.⁴

13. The wider economic and societal impacts of animal health and welfare are substantial. The UK Foot and Mouth outbreak in 2001 is estimated to have cost £5 billion to the private sector and £3 billion to the public sector, damaged the lives of farmers and rural communities and caused a general election to be postponed.⁵

14. Agricultural policy should support animal health and welfare which underpins the reputation of UK and Scottish agricultural produce. The importance of that reputation is acknowledged by the UK and Scottish Governments. Michael Gove MP, Secretary of State for Environment, Food and Rural Affairs, has stated that “high animal welfare standards and high environmental standards reinforce the marketability of our produce.”⁶ Scotland’s National Food and Drink Policy states that:

"Reputation is central to Scottish food and drink industry’s ability to sustain its current position and its ability to grow turnover and profitability in Scottish, wider UK and international markets."⁷

Maximise benefits

15. There is uncertainty as to the total quantum of support that will be made available after 2022. The UK Government will have different spending priorities than the collective EU and it is possible that the total budget for agricultural support will reduce post Brexit. It is therefore essential that a future agricultural policy maximises the impact of the associated budget.

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⁴ Farm Animal Welfare Committee (FAWC), Economics and Farm Animal Welfare, 2011
⁵ National Audit Office, The 2001 Outbreak of Foot and Mouth Disease, 2002
⁶ Michael Gove MP, Secretary of State for Environment, Food and Rural Affairs noted this giving evidence to the House of Lords Select Committee on the European Union Energy and Environment Sub-Committee
⁷ Scottish Government, Enhancing Scotland’s Reputation for Food & Drink Workstream 3
16. At present, member states are allowed to transfer up to 15% of the Pillar 1 payments they receive from the EU to its Pillar 2 allocation. There will be greater freedom, after EU exit, to shift the balance between pillars one and two style support to stimulate benefits.

17. Public money should be used ambitiously. Consideration should be given to incentivising innovation, technology and new processes which can support animal health and welfare whilst optimising productivity and competitiveness.

Veterinary Involvement

18. As animal health and welfare specialists and advocates the veterinary profession is well-placed to advise and influence sustainable animal husbandry practices at whole system levels, safeguarding animal health and welfare and influencing sustainable future livestock and food production. No trade in live animals and animal products can take place without veterinary certification and veterinary specialists are crucial in protecting public health (including food safety). Thus, the involvement of the veterinary profession within any system of agricultural support should be an integral part of any policy development, review and implementation. Policy-makers should consider how best to engage veterinary expertise within a new agricultural policy.

Outcomes based

19. We note the intention to change the cross compliance regime and “rethink our approach to some elements of the inspections and penalty regime taking into account the desire to simplify, ensure value for public money and the importance of maintaining or improving environmental standards taking into account developing thinking including, for example, the need to monitor and protect the health of our soils.”

20. Cross compliance is made up of ‘Statutory Management Requirements’ (SMRs) and standards for ‘Good Agricultural and Environmental Conditions’ (GAECs). The majority of SMRs focus on issues of animal health, animal welfare, public health and food safety - all of which are of the utmost importance to the veterinary profession. It will be essential that there is no downgrading in what is expected in relation to animal health, animal welfare, public health and food safety.

- SMR 1: Nitrate Vulnerable Zones (NVZs)
- SMR 2: Wild birds
- SMR 3: Habitats and species
- SMR 4: Food and feed law
- SMR 5: Restrictions on the use of substances having hormonal or thyrostatic action and beta-agonists in farm animals
- SMR 6: Pig identification and registration
- SMR 7: Cattle identification and registration
• SMR 8: Sheep and goat identification
• SMR 9: Prevention and control of transmissible spongiform encephalopathies (TSEs)
• SMR 10: Plant Protection Products (PPPs)
• SMR 11: Welfare of calves
• SMR 12: Welfare of pigs
• SMR 13: Welfare of farmed animals

21. Under a new agricultural policy, compliance should be predominantly based on outcome safeguards and done in a meaningful way. An outcomes approach should be utilised as a tool to drive continuous improvement of animal management and husbandry practices, thereby promoting high animal health and welfare. A welfare outcome safeguards approach contributes to informed considerations of the advantages and disadvantages of different production systems, assisting producers and consumers to consider how well a production system holistically meets all of an animal’s health and welfare needs.

22. Indicators of positive welfare should be incorporated into welfare outcome assessments when possible, as promoted by the Farm Animal Welfare Committee (FAWC)'s “good life” framework. Behavioural opportunity for animals can be a key differentiator between some assurance schemes, which is linked to the potential for good animal health and welfare when delivered with excellent health and welfare outcomes.

23. The standardised assessment of health and welfare outcomes provides a practical and scientifically informed method of assessment that aims to provide a more objective, accurate and direct assessment.

Animal welfare stewardship programme

24. Delivering these public goods should be at the heart of a new post Brexit agricultural policy- benefiting producers, consumers and wider society. In the report Brexit and the Veterinary Profession, BVA proposed a new animal welfare stewardship programme. This call is in line with the Farm Animal Welfare Committee (FAWC) and the Veterinary Development Council recommendations that the UK governments should work with industry to actively protect animal health and welfare and that this should include consideration of a farm animal welfare stewardship programme.

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10 FAWC (previously the Farm Animal Welfare Council), Economics and Farm Animal Welfare, 2011
25. Such a scheme, focussed on health and welfare that is evidence based and with welfare outcome safeguards, would use financial support for animal welfare as a public good, as has been the case for environmental stewardship. In 2014, the FAWC set out a proposed approach to developing such a stewardship programme starting with limited trials in each of the main livestock sectors.\textsuperscript{12}

**Farm assurance**

26. Post-Brexit agriculture policy could also support animal health and welfare by encouraging uptake of farm assurance schemes to incentivise animal health and welfare outcomes. Farm assurance schemes enable citizens to make sustainable and ethically informed choices about the food products they buy and the impact of these products on animal health and welfare.

27. BVA recognises that from an animal health and welfare point of view, it is not sufficient to carry out a tick-box exercise in terms of inputs. BVA supports welfare outcome assessment safeguards in assurance schemes as a tool to drive continuous improvement of animal management and husbandry practices, in turn promoting high animal health and welfare.

28. BVA believes that there is work to be done in communicating the value of improved animal health and welfare, and of assurance schemes in achieving this, to producers, farmers, citizens, retailers and others, so that the links between investment, good health and welfare outcomes (for animals and farmers) and economic returns are understood. Therefore, in December 2017, BVA published a detailed policy position on farm assurance schemes,\textsuperscript{13} which forms **Annex A** of this submission. The veterinary profession has a key role to play signposting the public in a professional and ethically justifiable way towards those farm assurance schemes that promote higher animal welfare.\textsuperscript{14}

**Disease surveillance**

29. Scotland’s farmers, crofters and growers produce output worth around £2.9 billion a year and are responsible for much of Scotland’s £5 billion food and drink exports.\textsuperscript{15} Exports of Scottish salmon to the EU were valued at £204 million for 2016.\textsuperscript{16} A robust surveillance system is integral to the realisation of these high value outputs. The continuous monitoring of new and emerging disease through data collection, analysis and sharing across species provides high-quality intelligence on animal health and welfare that enables policy makers, veterinary

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\textsuperscript{12} FAWC, An Animal Health and Welfare Stewardship Programme 2014
\textsuperscript{13} British Veterinary Association, BVA Position on Farm assurance schemes, 2017
\textsuperscript{14} British Veterinary Association, Vets speaking up for animal welfare BVA animal welfare strategy, 2016
\textsuperscript{15} NFUS, Farming Facts: Scottish farming, 2017, Available at: https://www.nfus.org.uk/farmingfacts.aspx
professionals and animal keepers to take decisions to improve animal health and welfare, productivity, and identify and manage threats to public health, trade, food quality, the environment and leisure and tourism.

30. The withdrawal of the UK from the EU will have far-reaching implications on the Scotland’s biosecurity and disease surveillance policy. EU legislation, structures and institutions are embedded within the surveillance network.

31. BVA has produced a detailed policy position on veterinary scanning surveillance which outlines our vision for animal health and disease monitoring post Brexit. This forms Annex B of this submission. The development of a new agriculture policy presents an opportunity to modernise and optimise our animal health and disease monitoring networks. This can be achieved through:

- Maintaining the current level of Government resource spent on the scanning surveillance network
- Adopting new approaches to data collection and feedback
- Optimising appropriate skills and expertise
- Rethinking traditional approaches to funding and coordination
- Articulating the value of surveillance reporting to the veterinary profession and other stakeholders through education to increase awareness and participation
- Working collaboratively with stakeholders to explore innovative communication strategies
- The establishment of a body to oversee and co-ordinate surveillance policy across the four administrations of the UK.

The role of livestock in achieving environmental public goods

32. Environmental outcomes and animal health and welfare outcomes can be mutually beneficial. The use of innovative whole farm management systems that integrate the delivery of environmentally beneficial outcomes as well as high quality animal health and welfare food products is paramount to ensure environmentally sustainable agriculture. Veterinary input is essential to the design and implementation of these systems.

33. Antimicrobial use in livestock can lead to antimicrobials being excreted unchanged and thus reach the environment. This creates the potential for Antimicrobial Resistance (AMR) transmission from livestock into ecosystems. The veterinary profession has long led the way in recognising and encouraging the concept of ‘One Health’, recognising the synergies between animal health, public health and environmental health. The design of a new agricultural policy could be used to

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17 British Veterinary Association, Position on veterinary scanning surveillance (animal health and disease monitoring), 2018
further the objectives of the new 5-year Antimicrobial Resistance (AMR) strategy and the ‘One Health’ it utilises.

34. Animal agriculture can be a significant contributor to climate change. To mitigate climate change, changes in animal production and farming practices are necessary to increase efficiency while maintaining animal welfare. Schemes designed to advance national animal health with a focus on disease prevention and eradication can help to maximise performance and reduce wastage including greenhouse gas emissions.

35. Several practices have already been identified to have a positive impact in improving production efficiency and reducing greenhouse gas emissions, such as improving grazing management, adding certain nutrients to the diets of animals, providing appropriate water sources and protecting water quality and improving genetics and reproductive efficiency.¹⁸

36. In terms of soil health, it is important to recognise the role livestock can play in optimising soil quality and productivity with whole farm management models that minimise environmental degradation and use resources and energy more efficiently. Mob grazing or managed intensive rotational grazing (MIRG) for example is a form of rotational grazing whereby a high stock density is grazed in a paddock with short grazing periods and long rest periods.¹⁹ This approach ensures that:

- Forage is harvested
- Sufficient trampling and compaction of the soil occurs to allow water penetration
- Soil erosion is minimised through rest periods to prevent livestock from continuously treading and compacting the same area
- Manure is dispersed through hoof action, reducing fertilizer maintenance costs and mitigating against the environmental impact of some fertilizers

37. Veterinary input in the design of managed intensive rotational grazing systems is vital to ensure that provisions are in place across rotations to adequately meet ruminant and non-ruminant nutrient, water, shade and shelter requirements and maintain animal health.

Balance central government and devolution

38. Agricultural policy in the UK is devolved. Devolved administrations have been able to shape agricultural policy to the needs of their respective jurisdictions. At the same time, the EU has ensured a degree of coherence to agricultural policy amongst all four administrations. Brexit presents an opportunity to tailor agricultural

¹⁸ Royal College of Veterinary Surgeons, Veterinary research in the UK: a snapshot A Report by the RCVS Research Subcommittee 2013
policy to suit the countries of the UK, however coordination and oversight on matters of animal health and welfare is crucial. There will therefore need to be consideration where decisions on agricultural policy are taken, and how best to coordinate efforts across the nations of the UK.

39. To facilitate this, BVA has called on the UK governments to establish a body to oversee and coordinate animal health and welfare policy across the four administrations of the UK and facilitate partnership working between industry and government to tackle endemic disease and animal health and welfare challenges.

**Comply with World Trade Organisation (WTO) rules**

40. Scotland should consider how best to utilise agricultural support to incentivise animal health and welfare within the rules of the WTO. The WTO Agreement on Agriculture provides a framework on agricultural support.\(^{20}\) If Scotland wants to reduce the likelihood of any challenge in the WTO to a new agricultural support regime, it may seek to minimise both trade distortion and direct impact on production.\(^{21}\) To achieve this farm payments should be through a government-funded scheme which does not provide price support to farmers.

41. As now, there will be a requirement to comply with the animal health and public health (including food safety) standards set by the World Organisation for Animal Health (OIE); World Health Organisation (WHO) and Food and Agriculture Organization of the United Nations (FAO). WTO rules for trade in animals and animal products function on this basis.

**Harmonise with cross-governmental strategic goals**

42. A new agricultural policy offers an opportunity to harmonise support to farms with other key Scottish, UK and international strategies. It is welcome that the consultation document notes this interdependence, when it states:

“The new domestic policy envisaged to be from 31 March 2024 will be shaped by the CAP Greening Report, the Agriculture Champion’s Report, the results of this consultation, and the final report due from the National Council of Rural Advisors. The results of the consultation later this year on Environmental Principles and Governance, the planned Climate Change legislation that will be in place from 2020, other domestic legislative requirements (such as those in the Forestry (Scotland) Act 2018) and new analysis on the impact of existing CAP policies will also be used to inform new policy.”

43. We would ask that animal health and welfare policy; legislation and strategies are given de consideration alongside these other factors. In particular, the design of a

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\(^{20}\) World Trade Organization, Agreement on Agriculture, 1995

\(^{21}\) World Trade Organization, Domestic support in agriculture: The boxes, accessed 4 December 2017 <https://www.wto.org/english/tratop_e/agric_e/agboxes_e.htm>
new agricultural policy could be used to further the objectives of the new 5-year Antimicrobial Resistance (AMR) strategy.