

Submitted to Future Grant Support for Forestry
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Ministerial Foreword - Forestry in Scotland is a sector that we can be justly proud of.

1 - Introduction and Rationale for Providing Grant Support for Forestry

1. Do you agree that grant support for forestry should continue to be improved and developed as a discrete scheme within the overall package of land support?

Yes

Please explain your answer in the text box.:

NFU Scotland (NFUS) is the leading agricultural organisation in Scotland. Representing more than 9,000 farmers, growers, and crofters, our members provide and support thousands of jobs and deliver significant economic, social and environmental benefits across Scotland.

Agriculture is the lynchpin of rural Scotland and is an important part of Scotland's booming food and drink industry. Scottish agriculture generates a gross output of £3.3 billion annually. The farming and crofting sector is committed to sustainable food production, enhancing biodiversity and helping to tackle climate change.

We welcome the opportunity to respond to this consultation. To support our response, we conducted a survey of our members on the topics of future support for forestry.

We asked if our members had used any of the existing forestry grant scheme options for woodland creation on farm. 71% said they had not. Of the 29% who said they had; the majority (77%) said the process was neither simple nor effective.

The main reasons cited by those who had not applied for one of the existing schemes were as follows:

- Unaware of the possibilities of schemes and what they offer.
- The schemes are, or are perceived to be, difficult to access.
- The options available were not suitable for some farming systems, especially for smaller areas of planting.
- Unable to access planning permissions.
- Tree planting was not seen as a priority for the business.
- It was cost-prohibitive, even with grant funding.
- The schemes are too prescriptive.
- Do not want to give up productive land for forestry.
- Too much effort for too little return.

We would like to see the future forestry grant scheme be developed in a way that is more farmer friendly. The scheme should be flexible and contain a range of farmer-friendly options to suit all land types, farm sizes and intended outcomes to achieve better integration of woodland into the farmed environment.

The application process must be made easier, without the need to use consultants. Relevant and practical advice, as well as ongoing support, is also crucial. We believe this will boost interest and increase applications for forestry grants. Ultimately, this will achieve the Scottish Government's goals of sustainable food production, enhancing biodiversity and tackling climate change.

Just under half of respondents to our member survey agreed that grant support for forestry should continue as a standalone scheme. Our members feel strongly that food production should be the priority for the agriculture budget. Forestry and woodland funding should not dilute this.

Our members are concerned that grant support for forestry is causing loss of productive agricultural land. Specifically, that non-farming individuals and companies are misusing forestry grants to purchase land for carbon offsetting. The threats to food security and the viability of farming businesses because of this is a significant concern.

2. Are there any changes that would allow for better complementarity between the forestry and agriculture funding options?

Yes

Please explain your answer in the text box.:

We believe that the current forestry funding options are too prescriptive and the application process overly complex. This has caused low uptake from the agricultural community. We believe that the system of support for forestry must be more farmer friendly. This will boost awareness and interest and increase applications for forestry grants.

Enabling the future grant scheme to be more flexible and suitable for all types and scales of farming is the main way to allow better complementarity.

This should involve:

- An easier application process/less red tape.

- Support for smaller areas and integration with existing agricultural activities, for example, hedgerows, shelterbelts, tree cover, etc.
- Support and advice for farmers on forestry issues.
- Individual farm-based small-scale woodland plans based on guidelines, that can adapt to a range of land types, farm sizes and intended outcomes.

2 - Forests Delivering for Scotland's Climate Change Plan

3. How can the support package for forestry evolve to help tackle the climate emergency, to achieve net zero, and to ensure that our woodlands and forests are resilient to the future climate?

Please explain your answer in the text box.:

We feel that the current support package for forestry is having the opposite effect on tackling the climate emergency and achieving net-zero. Our members fear that large swathes of productive farmland are being bought to offset the carbon emissions of other industries. This is not being done with food production, climate, or nature in mind, but to satisfy individual business interests at the expense of rural Scotland.

We feel that "greenwashing" remains a huge concern for our members. There is a long way to go to assuage concerns that forestry is not an existential threat to the farming community. Reshaping grant support for forestry can be a way to do this. Firstly, by ensuring that public money cannot be used by wealthy investors and corporations to offset their own emissions.

Secondly, by ensuring that there are flexible and adaptable options to suit all levels of farming and crofting, from smallholders to large estates.

Other suggestions include:

- Individual farm-based small-scale woodland plans that demonstrate a commitment to deliver in principle on sustainable food production, climate mitigation and adaptation, and nature enhancement.
- Involving farmers in the design and implementation of the support package.
- Improving access to schemes for farmers, over private investor companies and individuals.
- Improving frontloading for smaller schemes to alleviate cash flow problems.
- A focus on updating existing woodlands, rather than prioritising new planting.
- A system that is user-friendly and without too much administrative work for small farms.

4. Private investment through natural capital and carbon schemes can make a valuable contribution to climate change. Do you agree that the grant support mechanism should have more flexibility to maximise the opportunities to blend private and public finance to support woodland creation,

Not sure

Please explain your answer in the text box.:

We recognise that private finance can be beneficial in helping bridge the gap between public funding and actual costs. This concept has been considered in discussions around Regional Land Use Partnerships (RLUPS). However, there are risks from increasing private investment in grant support for forestry. As above, we fear it disproportionately encourages private investors to purchase productive agricultural land to plant trees. Funding should be outcome focussed. Where it is used as a blend with private funding, it must not be possible to bypass these outcomes for private financial gain.

Removing productive agricultural land from food production threatens Scotland's ability to produce food for the population. We strongly believe that carbon markets and natural capital investment markets are too underdeveloped at present, and this could lead to wrong decisions being made which could impact future generations.

5. How could the current funding package be improved to stimulate woodland expansion and better management across a wide range of woodland types, including native and productive woodlands?

Please explain your answer in the text box.:

We believe that the current funding package is too restrictive. There are not enough options for small-scale planting and the schemes themselves are difficult to access. We want to see:

- A range of farmer-friendly options to suit all land types, farm sizes and intended outcomes to achieve better integration of woodland into the farmed environment. For example, parkland/landscape trees, specimen planting, shelter belts, and hedgerows.
- The application process be made easier, without the need to use consultants.
- Relevant and practical advice and ongoing support.

6. Do you agree that it should be a requirement of grant support that woodlands are managed to ensure that they become more resilient to the impacts of climate change and pests and disease?

Yes

How can the grant scheme support this?:

We agree that ongoing management and resilience should be a factor in woodland creation, alongside other economic, social and biodiversity objectives. However, it may be difficult to know what future challenges woodlands will face in the future in terms of pests and diseases.

The role of the woodland officer who assesses the long-term sustainability of a planting scheme should take this into account and the land manager

should suitably informed. Ongoing support for grant recipients will ensure that if an issue arises, prompt action can be taken if needed.

3 - Integrating Woodlands on Farms and Crofts

7. Which of the following measures would help reduce the barriers for crofters and farmers wanting to include woodland as part of their farming business? Please select all that apply.

Better integration of support for woodland creation with farm support mechanisms, Knowing where to get reliable advice, Clearer guidance on grant options, Flexibility within options, Intervention level, Support with cashflow, Information on how current land use could continue with trees integrated throughout

Are there others not listed above?:

We believe every measure is a barrier to farmers and crofters including woodland in their farming business. The biggest barrier is flexibility within options. We need options for smaller-scale planting, and a focus on integration and how they fit within existing businesses. Currently, the forestry grant scheme does not have options for every farm business and is disproportionately skewed towards large woodland creation schemes. Farmers and crofters are vital in the fight against climate change, we believe that flexibility to accommodate all scales of enterprise is important to enable them to do this.

Knowing where to get reliable advice is another key barrier. 53% of respondents to our survey said they were not aware of guidance to help land managers identify how to pursue woodland creation. Respondents who said they were aware, told us that it was not accessible and was of no practical help with management decisions.

One of the main issues with advice is the lack of knowledge among forestry advisors with agricultural processes. Conversely, farmers and crofters often feel like they must consult multiple 'experts' to get appropriate advice. A 'one stop shop' is needed so integrated advice can be sought on farming, forestry, carbon and biodiversity at the same time. Farmers and crofters want to know what is suitable for their farm, what benefits trees will bring in comparison to other land uses, and how they can easily apply for support.

A higher rate of intervention will encourage more planting, as would frontloading payments. Our members told us it is more expensive to plant smaller areas than it is larger woodlands, due to economies of scale. Support with cashflow will help, for example to cover periods of extra borrowing, as will flexibility with repayment options and 'insurance' mechanisms for woodlands that fail to establish.

Tenancy is a barrier not listed in the consultation. Agreement type and term of tenure can impact the ability of tenants to access certain types of grant funding. There is broad agreement that tenants should be encouraged to plant trees, but care is needed to ensure the correct balance of rights. The Tenant Farming Advisory Forum (TFAF) is currently in discussions on tree planting on tenanted land, and we suggest a discussion with agricultural holdings team at Scottish Government to understand this barrier further.

We feel that communications from Scottish Forestry is a barrier. Awareness of what is required is low, and the grant paperwork and process is longwinded and complex. This means that farmers will often employ a consultant to undertake their application, with added costs. There is a lack of understanding about the benefits of trees, particularly in the context of livestock production. Communication of how integrated woodlands can benefit farming systems is needed.

The way carbon emissions are calculated is a disincentive to planting trees. Through the LULUCF carbon accounting, trees planted on farmland do not go towards reducing agriculture's emissions, but forestry.

Local authority planning permission can also constrain a landowner's ability to include woodland on their farm.

8. Establishing small woodlands can have higher costs. What specific mechanisms would better support small scale woodlands and woodland ownership?

Please explain your answer in the text box.:

Specific mechanisms that would better support small scale woodlands would be:

- Additional grant options to support management of smaller woodland, as well as flexibility within options. Specifically, the ability to plant shelter belts and hedges.
- A higher rate of payment for small woodlands, including frontloading payments to help with cashflow.
- The option for ongoing support for management to ensure the woodland is healthy.
- Support for the cost of fencing, which was seen as disproportionately higher for small woodlands.
- Dedicated farm woodland officers with local knowledge assigned to each business and trained to draw up an appropriate woodland creation plan.

4 - Forests Delivering for People and Communities

9. How can forestry grants better support an increase in easily accessible, sustainably managed woodlands in urban and peri-urban areas?

Please explain your answer in the text box.:

N/A

10. How can grant support for forestry better enable rural communities to realise greater benefits from woodland to support community wealth building?

Please explain your answer in the text box.:

The consultation is not clear how a community is defined. We feel that it should be a formally constituted community body. Many farming families have lived on the same farm for generations. Despite this, communities are often viewed as a threat by our members. This can be because of a lack of understanding or because of previous negative experiences.

Our members are generally not well informed about community wealth building. They find it difficult to understand what it means and how it relates to farming. We feel that more needs to be done to educate farmers and crofters on community wealth building, so they can play an active role in shaping this.

There are many small areas of woodland in rural communities which present opportunities for active management. Grant support for these small pockets could support local communities to realise greater benefits. This will require upskilling of communities and land managers so they can make more informed decisions.

Grant support and guidance around this should have clear interaction with the Land Rights and Responsibilities Statement and Guidance in Engaging Communities in Decisions Relating to Land.

11. How can the forest regulatory and grant processes evolve to provide greater opportunities for communities to be involved in the development of forestry proposals?

Please explain your answer in the text box.:

As above, the principles in Land Rights and Responsibilities Statement and Guidance in Engaging Communities in Decisions Relating to Land can guide this. There must be a requirement to include any land managers adjacent to proposed planting to be involved to ensure that impacts can be understood.

12. How can the forestry regulatory and grant processes evolve to ensure that there is greater transparency about proposals and the decisions that have been made on them?

Please explain your answer in the text box.:

Guidance in Engaging Communities in Decisions Relating to Land sets out a useful decision-making process. This considers the scale and impact of proposals and advises on proportionate engagement. We support this document and feel that adoption of these principles will provide the above.

13. Forestry grants have been used to stimulate rural forestry businesses by providing support with capital costs. Do you agree that this has been an effective measure to stimulate rural business?

Not sure

a. How could this approach be used to support further forestry businesses?:

While the above may be true, there are far fewer people employed in forestry than in agriculture; stronger focus should be on stimulating farming businesses.

Other suggestions include:

- Frontloading payments for planting and other management costs.
- Providing grants for machinery.
- Increased funds, especially for the management of existing woods and the creation of small woodlands.

b. How could this approach be used to support further skills development?:

Apprenticeships and general skills development is vital. Working with colleges and training providers is key to improving skills development and addressing the shortage of skills in the sector.

14. How could the FGS processes and rules be developed to encourage more companies and organisations to provide training positions within the forestry sector?

Please explain your answer in the text box.:

We feel that this should not be financed publicly. The forestry sector is seen as being relatively successful and there are other areas where the skill shortage is more acute. There must be a long-term market opportunity for forestry to encourage businesses and individuals to invest, and for people to want a career in the sector.

Other suggestions included:

- Training courses for farmers on how to thin and manage their woodlands.
- Paying staff well and fairly, as well as ensuring they are well educated and trained.
- Encourage contractors to lower their charges where they are employing trainees and apprentices.

5 - Forests Delivering for Biodiversity and the Environment

15. The primary purpose of FGS is to encourage forestry expansion and sustainable forest management, of which a key benefit is the realisation of environmental benefits. How can future grant support better help to address biodiversity loss in Scotland including the regeneration and expansion of native woodlands?

Please explain your answer in the text box.:

We feel that the focus should be on supporting and restoring the biodiversity that is already in an area, rather than trying to create something new. We feel that support could be better targeted to enhance native woodlands in some areas.

We support the need for stronger predator control. We support simplifying applications for deer management to encourage proper control. We support new methods of fencing out hares and rabbits, as well as lowland and hill deer.

Other suggestions included:

- Favouring mixed species forests over blanket planting of conifers.
- Encouraging the management of existing forests (e.g. thinning) to encourage under canopy growth.
- Incentivising farmers to protect and restore existing woodlands.

16. Herbivore browsing and damage can have a significant impact on biodiversity loss and restrict regeneration. How could forestry grant support mechanisms evolve to ensure effective management of deer populations at:

Landscape scale?:

The implications of large-scale projects must be considered holistically. Apex predator control is sometimes seen as a solution to rectify existing imbalances in deer populations without considering the unintended consequences, such as predation on other species or livestock. On a landscape scale, fencing can only do so much and there is the risk that it merely pushes the problem to neighbouring land. Fencing needs to be carried out in collaboration with neighbours and in conjunction with effective controls on numbers.

Ensuring the renumeration of effective deer management in areas where it is needed is key. There shouldn't be a one-size-fits-all approach; different areas and landscapes will require different solutions. Collaborative engagement with land managers at a landscape level should be considered.

Other suggestions include:

- A promotional campaign to encourage the public to eat red deer and grants for deer larders to support processing of venison.
- Providing grants for tools that will protect the forests that are being planted.

Small scale mixed land use?:

Fencing is the main solution for deer management if numbers cannot be brought down to manageable levels by current control methods. However, fencing is extremely expensive, can be environmentally unfriendly and has a lifespan. Ultimately, deer population control is required for both small-scale and landscape scale plantings.

Other suggestions included:

- Monitor wildlife in collaboration with farmers, gamekeepers, hunters, etc to identify issues and deal with these timeously.
- Encourage and support the use of biodegradable tree tubes and guards - including those manufactured from sheep's wool.
- Supporting shooters to help reduce deer numbers, through subsidised ammunition, access to facilities to process carcasses and access to markets for the venison to get a return on their efforts.

If you wish to make any other relevant comments, please do so in the text box below.

Please add your comments here.:

In conclusion, we believe that the forestry grant scheme in its current form isn't working for farmers and crofters. We call on Scottish Forestry to develop the future scheme in a way that is more farmer friendly. The scheme should be flexible and contain a range of farmer-friendly options to suit all land types, farm sizes and intended outcomes to achieve better integration of woodland into the farmed environment.

The application process must be made easier, without the need to use consultants. Relevant and practical advice, as well as ongoing support, is also crucial. We believe this will boost interest and increase applications for forestry grants. Ultimately, this will achieve the Scottish Government's goals of sustainable food production, enhancing biodiversity and tackling climate change.

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:
NFU Scotland

Scottish Forestry would like your permission to publish your response. Please indicate your publishing preference:

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We may share your response internally with other Scottish Forestry policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Forestry to contact you again in relation to this consultation exercise?

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I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

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