AGRICULTURAL REFORM PROGRAMME REGIONALISATION OPTIONS
Project Overview

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Agenda

Start	Duration	Content	Led by
1200	5	**Background**	Stephen Cox - RESAS
	10	**Overview** of the project - scope, process, development of baselines and scenarios	Keith Matthews - Hutton
	10	Q&A Interpretations	Stefan Hoyte - RESAS
1225	15	**Baselines** – the regions and payments *status quo* and the other characterisations used	Keith Matthews - Hutton
	10	Q&A Interpretations	Alan Fraser - RPID
1250	15	**Scenario Builder and Dashboards**	Keith Matthews - Hutton
	10	Q&A Interpretations	Alan Fraser - RPID
1315	20	**Specific Scenarios**	Keith Matthews - Hutton
	20	Q&A Interpretations	Alan Fraser - RPID
1355	5	**Wrap-up, actions**, Close	Stephen Cox - RESAS

Introduction

- Context
  - Analysis to support SG policy deliberations on the Base (Tier 1) payments in post 2026 schemes.
- Purpose
  - Define and communicate the state of play for regions – shape of the system as it stands.
  - Test regionalisation options
  - Place Base (Tier 1) in the context of other schemes (e.g. Less Favoured Areas)
- Draws on previous work
  - Strategic Research Programme (2022-27 and earlier 2016-22)
  - EARS regionalisation scenario analysis (2023)
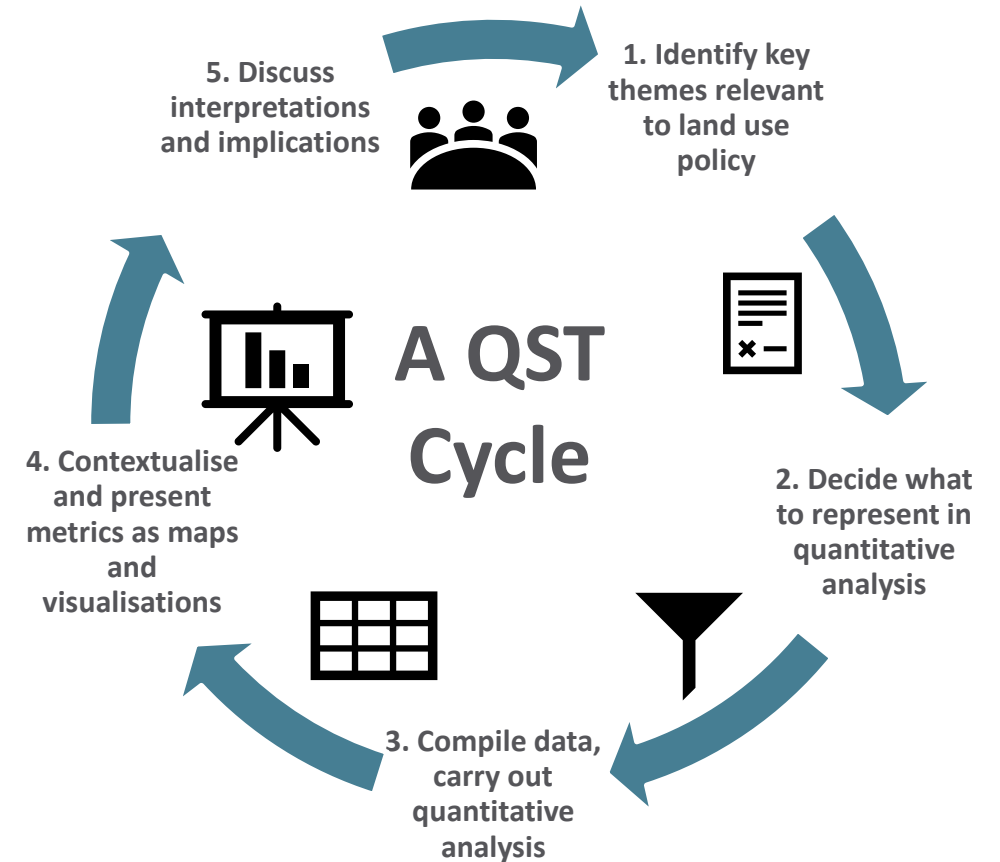 - Analysis of Enhanced Conditionality Measures (2023)

"… *the outcomes for an EC based scheme would be determined in, large measure, by the distribution of funds across Scotland and that this would be set by budget and region decisions (number and definition), their interactions with other measures such as voluntary coupled support (VCS), and key region implementation options such as capping or front loading*".

Enhanced Conditionality Synthesis Report

Research Process, Data

- **Process** – Quantitative Story Telling

- **Sources**
  - Administrative – IACS-LPIS, June Agricultural Census
  - Research-based – link to Land Systems team and Land Use Transformation project pages.

- **Data Integration**
  - FID-Holding-Business relations
  - GIS overlay – soils, environment data- see Story Map Collection

A QST Cycle

1. Identify key themes relevant to land use policy

2. Decide what to represent in quantitative analysis

3. Compile data, carry out quantitative analysis

4. Contextualise and present metrics as maps and visualisations

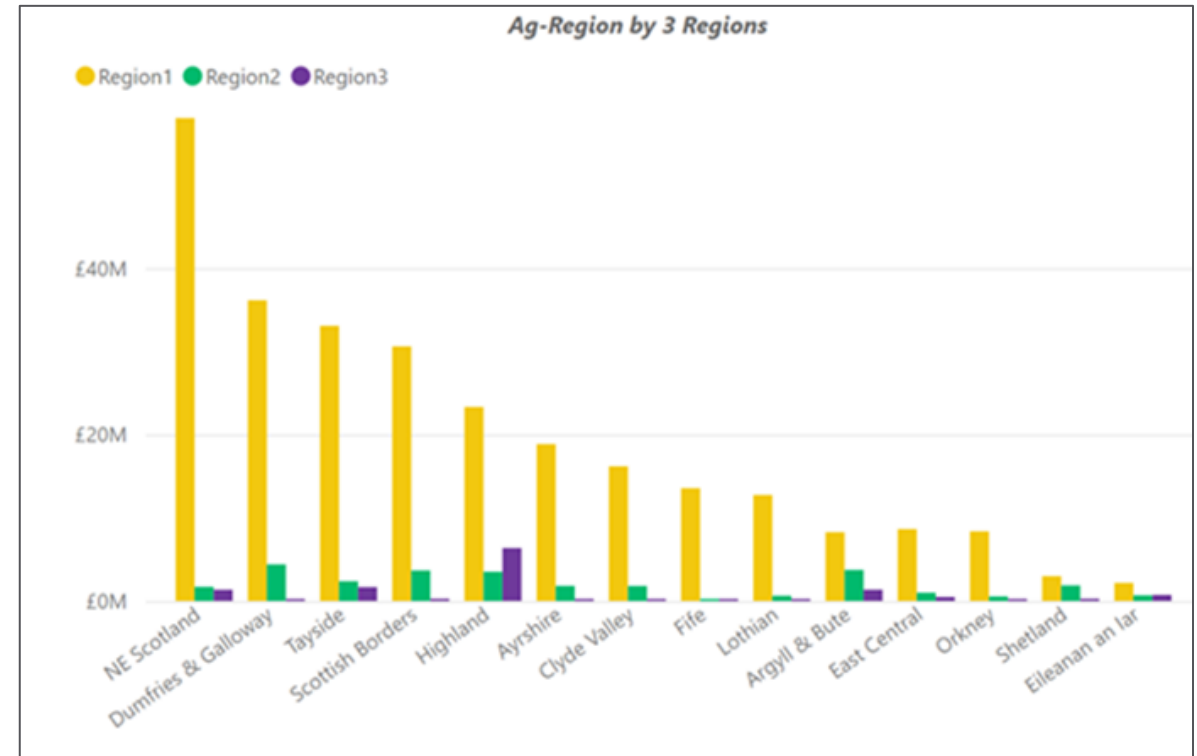5. Discuss interpretations and implications

Outputs

- **Scenario Generation Tool**
  - Online (requires registration)
  - Worked Example (manual)
- **Dashboards**
  - Sets of visuals
    - More flexible, interactive, online
    - PowerBI link (requires registration)
- **Reports**
  - partly as documentation/summary
  - partly as demonstration of capability to address policy questions

Analyses - Baseline Areas and Payments

- **Stage 1, Part 1**
- For each - Farm Type, Region and Size Class:
  - **Areas** – land use, Basic Payment Scheme (BPS) claimed, net entitlements, Less Favoured Area Support Scheme (LFASS) claimed.
  - BPS regions - **Areas and Spend** on payments in those areas.
  - BPS regions - **Mix** (percentages)
  - LFASS region
  - Scottish Upland Sheep Support Scheme (SUSSS)
  - BPS Region 1 – Crops and Grass

Ag-Region by 3 Regions
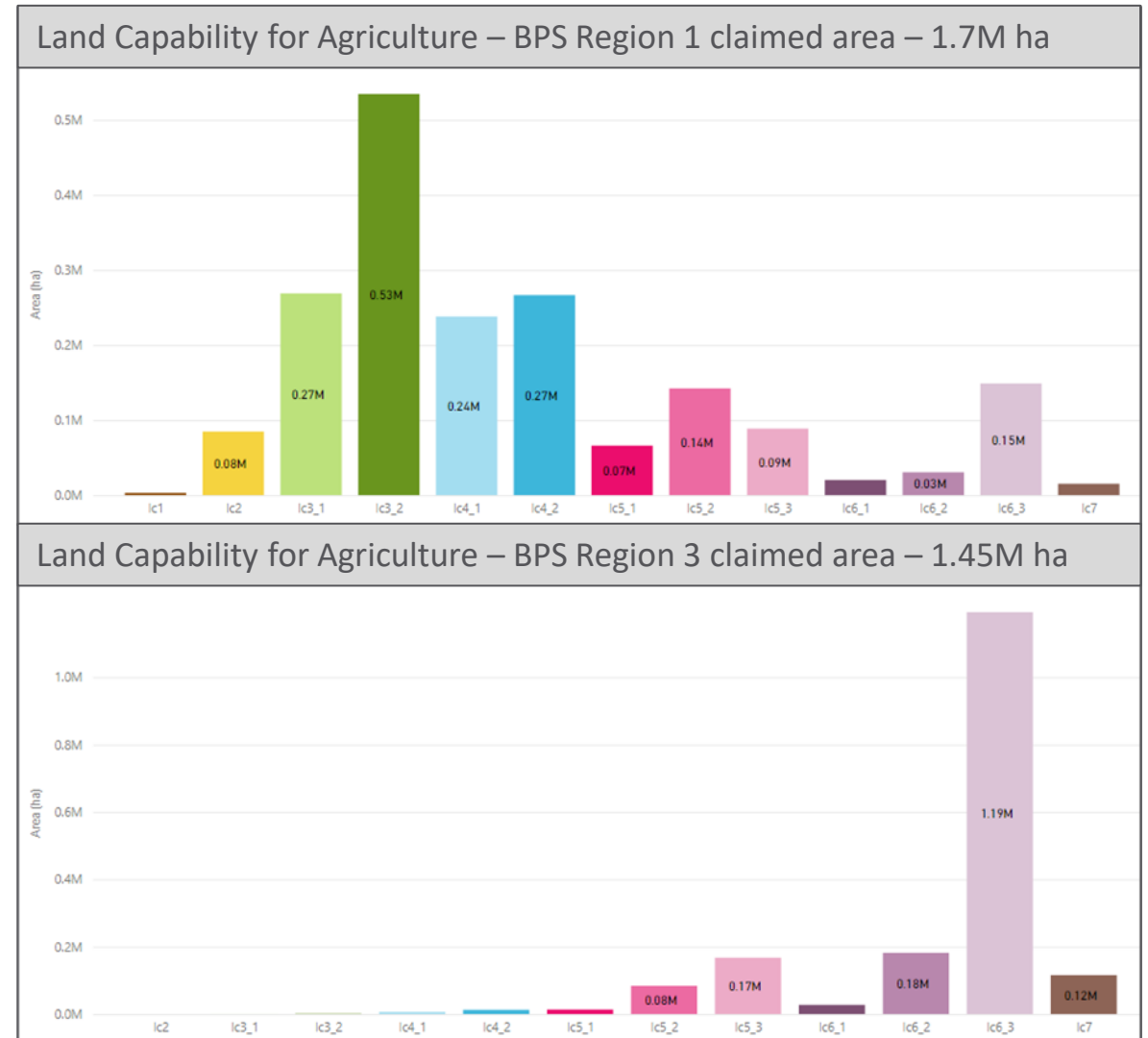
Region1 Region2 Region3

Region 1 - 87% of money to 43% of land area – can this deliver 87% of SG outcomes sought?
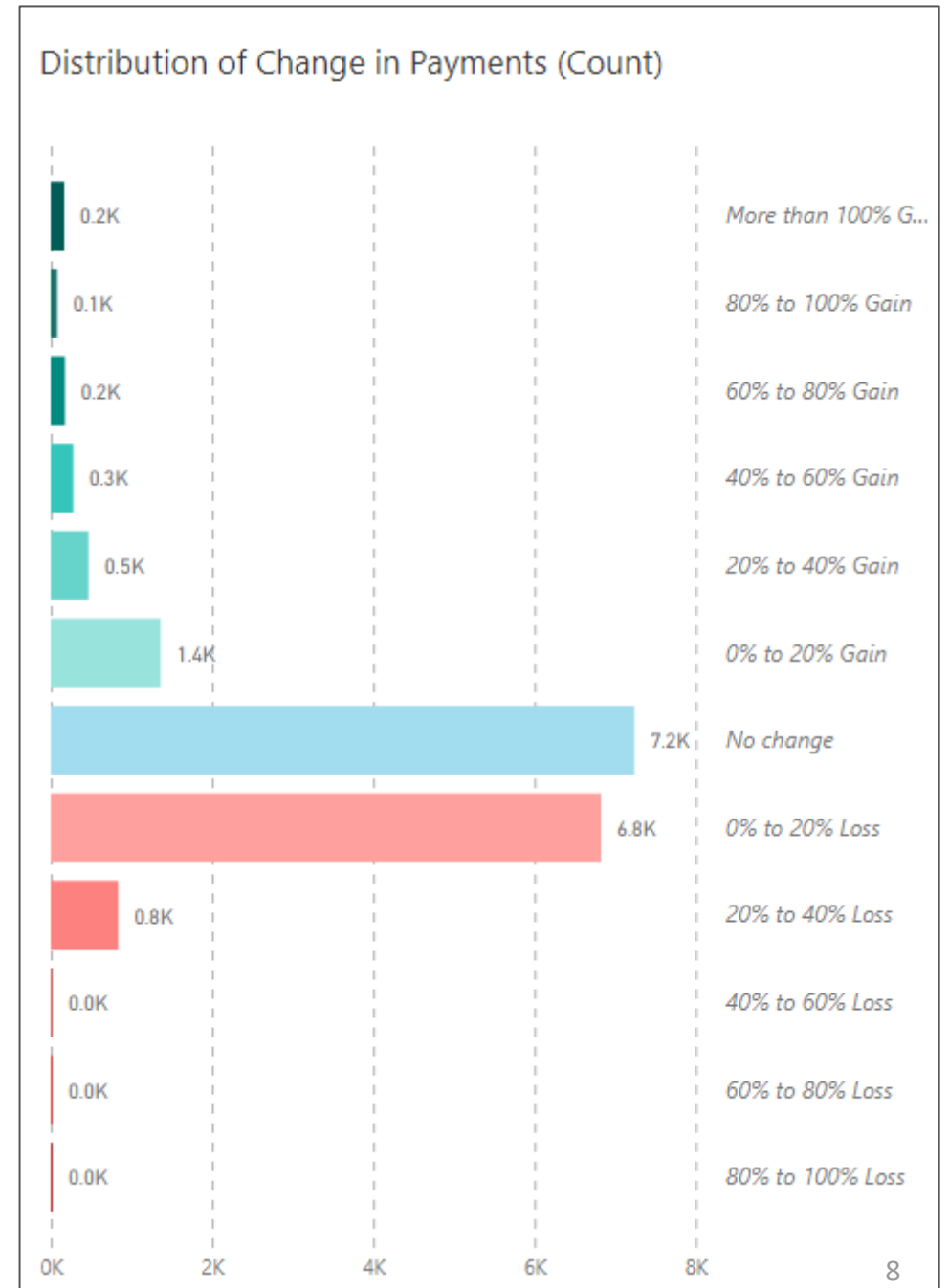
Analyses – Baseline Characterisation

- **Stage 1, Part 2**
- Characteristics of BPS regions
  - Peatland Condition
  - Land Capability for Agriculture
  - Land Cover (Crop Codes)
  - Land Activity (from IACS)
  - Less Favoured Area (Disadvantage and Fragility)
  - Urban Rural Classification
  - Socio-Economic Performance
- Underpin later analysis of the spend in the "right" place?

Land Capability for Agriculture – BPS Region 1 claimed area – 1.7M ha

Land Capability for Agriculture – BPS Region 3 claimed area – 1.45M ha

Analyses – Basic Payment Scheme Options

- **Stage 2**
  - **Scenario**: 2 Regions + Upland Sheep
  - BPS Regions 2 and 3 (both predominantly rough grazing) are merged into a single region with a combined budget.
  - The budget used for the Scottish Upland Sheep Support Scheme is added to the new region's budget.
  - This was Scenario 5 in the previous EARS project.
  - Simplification, fairness and compatibility with Enhanced Conditionality

Distribution of Change in Payments (Count)

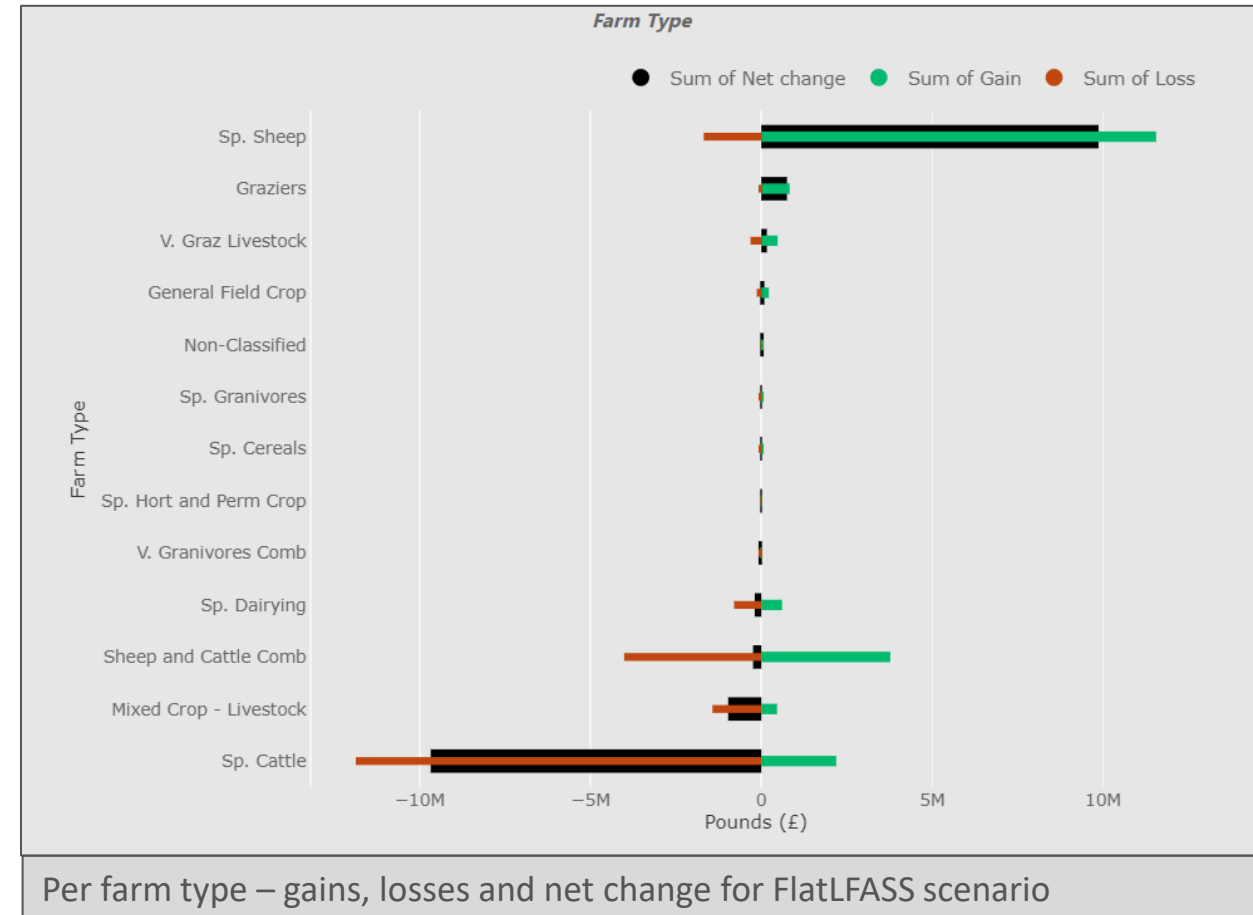| Change in Payment	Count
More than 100% G...	0.2K
80% to 100% Gain	0.1K
60% to 80% Gain	0.2K
40% to 60% Gain	0.3K
20% to 40% Gain	0.5K
0% to 20% Gain	1.4K
No change	7.2K
0% to 20% Loss	6.8K
20% to 40% Loss	0.8K
40% to 60% Loss	0.0K
60% to 80% Loss	0.0K
80% to 100% Loss	0.0K

8

Analyses - Less Favoured Area Support Scheme

- **Stage 3**
  - **Scenario**: Flat LFASS
  - Takes the current LFASS budget and allocates it across all the claimed LFA area
  - Simplification, fairness
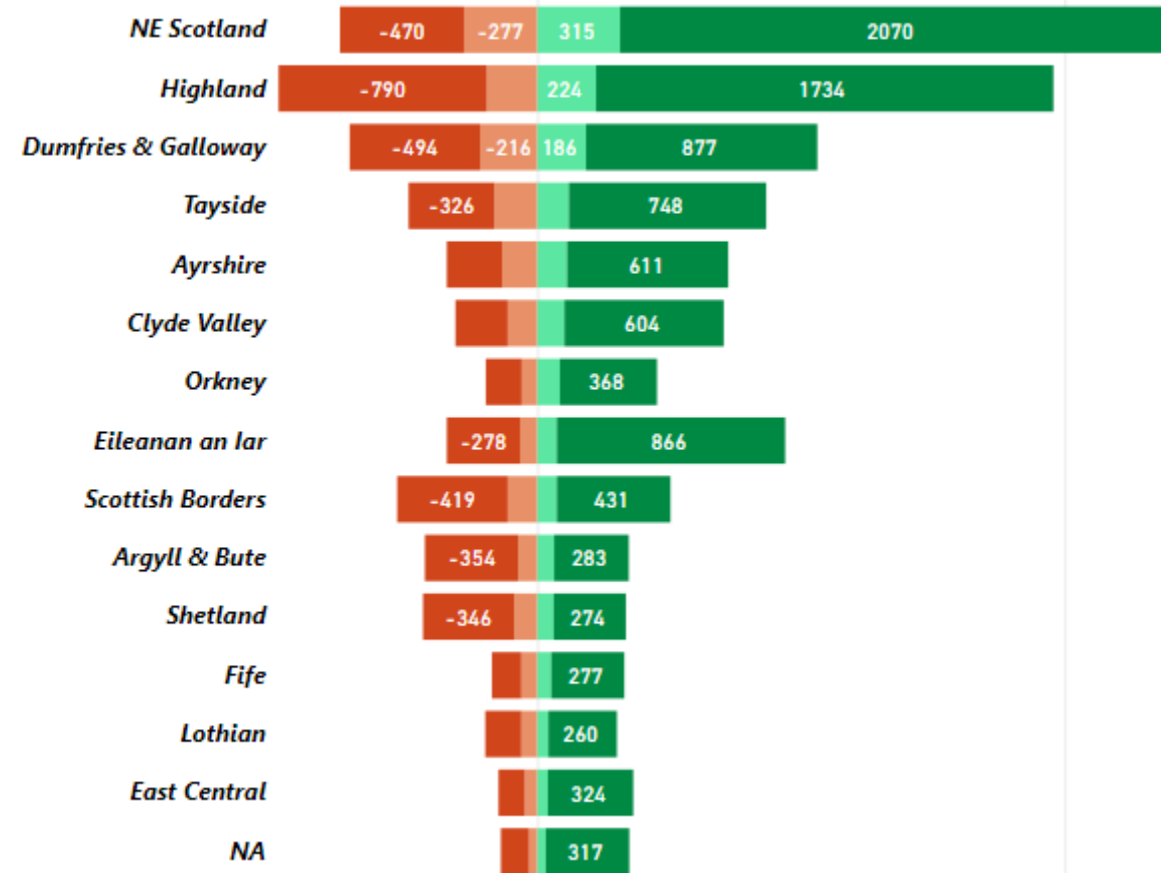 - **Exploratory only** as could anticipate the undesirable outcomes

Per farm type – gains, losses and net change for FlatLFASS scenario

Analyses - Voluntary Coupled Support

- **Stage 4**
  - **Scenario**: 2 Region – No LFASS – FrLd (front loaded)
  - Mitigating the negative outcomes from 2 Region + Upland Sheep or Flat LFASS
  - **Demonstration** of analytical capability of the Scenario Generator
  - Simplify and eliminate historic elements (esp. stocking rates)
  - **Experiment** – can functions of LFASS be replicated by other means:
    - Area based payments
    - Using BPS regions
    - Uplift to Region 2 payments
    - VCS
    - Capping and Front Loading

Counts of businesses gaining and losing from 2 Region – No LFASS – FrLd Threshold for Effective Gain or Loss was 5%

Region	Effective_Loss	Low_Loss	Low_Gain	Effective_Gain
NE Scotland	-470	-277	315	2070
Highland	-790		224	1734
Dumfries & Galloway	-494	-216	186	877
Tayside	-326			748
Ayrshire				611
Clyde Valley				604
Orkney				368
Eileanan an Iar	-278			866
Scottish Borders	-419			431
Argyll & Bute	-354			283
Shetland	-346			274
Fife				277
Lothian				260
East Central				324
NA				317

● No change ● Low_Gain ● Effective_Gain ● Low_Loss ● Effective_Loss

Completing the Regionalisation QST cycle

- Regionalisation QST developed and refined with RESAS (Stefan Hoyte and Stephen Cox) and RPID (Alan Fraser) colleagues.

- **Workshop** opportunity for:
  - Awareness of the work – if salient beyond Tier 1 (Base)
  - Capture insights and interpretations
  - Shaping any follow up analysis or specific questions

- **Write up** and publish results – series of outputs and summary.

- **Follow up interviews** with SG participants in the QST.

- One more **QST cycle** in 2025-27

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Further research in the RESAS Strategic Research Programme 2022-27, in the Land Use Transformations (C3-JHI-1) and Land Reform (E3-JHI-1) projects.

Land Use Transformations - Storymaps Collection, with Land Use Change Scenarios, Adding Farm Structure to Land Use Change, Peatlands and Payments, Updating Peatland Condition Mapping , Updating Land Capability for Agriculture and Climatic Water Balance in Scotland.

Website for Agrometeorological Indicators across the UK under current and future conditions.

The Review of Land Ownership Data in Scotland.

Previous related analyses are from the Hutton Land Systems Research Team website - https://ics.hutton.ac.uk/research/land-systems-research-team/

The sets of slides and maps generated in Agriculture Policy analysis from 2010 onwards are available from - https://ics.hutton.ac.uk/research/land-systems-research-team/cap-analysis/

For woodland expansion analysis see - online mapping and paper.

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