

# AIC Policy Report

January 2025



Working in support of  
a modern, sustainable  
commercial, agriculture

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## Summary

- Much activity has focussed on the Budget across all parts of the supply chain. Representations have been made from business and farming groups, including AIC, outlining how the Budget will impact business growth, rather than supporting it. Whilst much focus has been on APR, AIC has been consistently alerting Government to the impacts of changes to BPR, delinked BPS payments in England, NI contributions and other measures. Joint industry lobbying work will continue in 2025.
- In 2025, the legislative agenda is starting to become clearer. Whilst Government will continue to prioritise water policy, it is expected that priority will be placed on formal negotiations with the EU on an SPS/Veterinary agreement. In addition, we are expecting consultations on a land use strategy, a food strategy and a 25-year farming plan, as well as a possible publication of the National Action Plan. This will be an important opportunity to position the AIC's Sustainability Action Plan as part of the wider discussion.
- 2025 will also see domestic farm policy support start to develop across the four nations of the UK (1.5, 7.1, 8.1), as well as the differences in approach. Much focus has been placed on available funding in England whilst policy proposals and conditions for support will be established further in Wales and Scotland whilst further support projects continue in Northern Ireland).

## 1. Cross Sector Policy

### 1.1 2024 Budget

In October, the Budget was announced by the Chancellor and new Labour Government. The wide-ranging Budget [presented a number of challenging proposals](#) to the wider business and agricultural sectors. The most notable of these were:

- The rate of employer [National Insurance Contributions \(NICs\)](#) will rise by 1.2% to 15%.
- The lower rate of [Capital Gains Tax \(CGT\)](#) will rise from 10% to 18%, and the higher rate from 20% to 24%.
- Expected [changes to Inheritance Tax and Agriculture Property Relief \(APR\)](#) and [Business Property Relief \(BPR\)](#), which will attract 100% relief on agricultural and business assets worth under £1 million, with there being 50% relief above that. This will be introduced in April 2026
- A cap on all direct payments (formerly Basic Payments) in England in 2025 of £7,200.

- Double cab pick-up vehicles (DCPUs) will be treated as cars for the purposes of capital allowances and benefits in kind. This reverses a U-turn already made in March of this 2024.

Considerable lobbying activity across all parts of the supply chain has taken place following the Budget. Representations have been made from business and farming groups, including AIC, outlining how the Budget will impact business growth, rather than supporting it. Whilst much focus has been on APR, AIC has been consistently alerting Government to the impacts of changes to BPR. This work will continue in 2025, as we coordinate lobbying activity with likeminded business trade associations. Finally, AIC has been alerting Government to the wider cashflow impacts of the speed and scale of BPS payment reductions in 2025. For many businesses this reduction will not have been budgeted for, and AIC remains concerned that no impact assessment was made of this to agriculture or the wider rural economy.

## 1.2 UK political update

Since the last policy report, confirmation has now been provided of Ministers, Shadow Ministers and Select Committee attendees and Chairs. Defra has Steve Reed MP as Secretary of State, Daniel Zeichner MP as the Minister for Food Security and Rural Affairs. Three Under-Secretaries of State are now in place (Junior Ministers): Emma Hardy MP (covering Crop Protection and Water), Mary Creagh (Nature) MP and Baroness Hayman (covering Imports and BTOM).

In October, it was announced that Alistair Carmichael MP (Liberal Democrats) was elected as the new Chair of the Commons EFRA Select Committee. Mr Carmichael is MP for Shetland and Orkney and has a background in the farming sector, and also attended the AIC's parliamentary event in September 2024. In November, AIC met with Mr Carmichael, clerks and newly elected MP members of the Committee, to provide an overview of AIC priorities and the work of members in the supply chain. Further in person informal briefings with the Committee are set to take place in January 2025.

## 1.3 Anticipated Government priorities in 2025

AIC has met with many Ministers, MPs, Civil Servants and Advisers to Government since the last policy report. Water quality remains a core Government priority, with potential future impacts to the agricultural sector (1.8). In 2025 AIC is expecting the following Government policy issues to be announced:

- A 'land use' annex, and consultation for England, that will provide an analysis of the existing drivers of land use within the context of government targets for climate change, biodiversity and food production.
- A food strategy, that will focus upon health and obesity, food supply chain resilience, food and sector productivity. It will be led by Defra, but in collaboration with the Departments for Education and for Health.
- A 25 year 'farming roadmap', which will set out an approach that seeks to make farming both environmentally and financially sustainable, as well as measures to boost the rural economy and make supply chains 'fairer'.

It is unclear as to what order these policy priorities will be, however AIC has been speaking with Government officials to understand some of their context and rationale. As and when they are announced, AIC will ensure members are alerted to the Government documents as well as the AIC's draft responses.

## 1.4 UK-EU Trade

After meeting with the Minister in September 2024 to discuss an EU-UK SPS/Veterinary agreement, AIC has been providing practical, real world case studies of the impacts of EU/UK trade friction that have developed over the past four years. This is to ensure Defra and Cabinet Office teams, tasked with prioritising this work, understand the complexities of trade in certain AIC affected sectors, and the specificity of certain products or goods. In addition, AIC has been able to provide the challenges that arise from UK regulatory bodies who are required to approve licenses or sign off certificates as a condition to exporting a product, most notably in delays and the requirement for multiple processes. Meetings are set to take place with the relevant Defra teams in January and February to continue this work. AIC remains in contact with European Associations to ensure they are able to positively advocate towards the European Commission.

## 1.5 Sustainable Farming Incentive (SFI)

Defra has secured a budget of £2.4 billion and £2.6 billion for the next two financial years respectively to fund farming and the environment - much of this funding being directed to the ELM schemes (Sustainable Farming Incentive, Countryside Stewardship Higher Tier and Landscape recovery), as well as historical agreements under existing contracts with the Government, such as HLS and Countryside Stewardship Mid-Tier.

Rollout of the SFI Expanded Offer continues with the requirement to submit an expression of interest and then wait to be invited to apply by the RPA having been lifted in the last month. There has been a 13% increase in the number of SFI agreements since July 2024 and in total there are nearly 30,000 live agreements.

Capital grants through the agri-environment schemes have also proven particularly popular, with £120m already having been paid out this year and the value of applications received between May and November being 42% more than all applications received last financial year. As a result, Defra have temporarily closed for new applications and will issue an update on their review findings expected the situation in early 2025.

Defra has also announced a new and improved Countryside Stewardship Higher Tier (CSHT) scheme will open in 2025. This will initially be through a controlled rollout however, existing CSHT agreements holders may not be prioritised in being invited to apply. To manage a potential backlog, existing agreement holders will be offered mirror agreements lasting 5- or 10-year agreements, whilst existing HLS agreement holders will be offered two-year extensions. There will however be implications for exiting these extensions early and T&Cs need to be read carefully to understand the implications.

## 1.6 AIC's Sustainability Action Plan

AIC's Sustainability Action Plan 'An Action Plan for Sustainable Efficiency' was launched at AIC Conference. Positive feedback has been received from stakeholders and members. Promoting it and its content is active and ongoing. Assessing collaboration opportunities for joint working and messaging on sustainability priorities with other Trade Associations is progressing starting with Food and Drink Federation's *Ambition 2030*. A separate collaboration of the F5 (AIC, NFU, FDF, BRC and UK Hospitality) are drafting joint sustainability policy asks for Government.

## 1.7 Food Data Transparency Partnership (FDTP)

The top three current priorities of FDTP are increasing the uptake of farm carbon audits, data system design and how to incorporate agri-food carbon reductions and removals in reporting. There is increasing join up

between FDTP, LED4Food and SeeBeyond projects all of whom are considering a common language to enable platform interoperability to harmonise and streamline reporting, in addition to how to incorporate primary data to improve the accuracy of average emission figures.

## 1.8 Farming Rules for Water (FRW) Statutory Guidance Rapid Review

AIC submitted a response to Defra's rapid review of the FRW Statutory Guidance following a High Court ruling on the interpretation of crop need at timing of application and how this was being enforced by the Environment Agency, coupled with pressure from the Office of Environmental Protection. In addition to its individual response, AIC collaborated with nine industry bodies to submit a joint response. We are waiting to hear the next steps.

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## 2. Animal Feed

### 2.1 EU Deforestation Regulation (EUDR)

Much feed sector resource remains focussed on delivering information and updates to members on EUDR. The proposal to delay the implementation of the regulation was finally adopted just prior to the end of 2024. This means that the regulation will now come into force on 30<sup>th</sup> December 2025 for large companies, and 30 June 2026 for small companies. The Commission, the competent authorities and the whole supply chain can use the extra time to ensure that all the architecture is in place to implement the regulation smoothly.

FEFAC, at the request of AIC and other members, sought a legal opinion on the status of compound feed as a 'relevant product' as defined in the regulation. If compound feed is not deemed a relevant product, no information about its compliance with the regulation should be required. This is significant for UK beef entering the EU where Recital 39 of EUDR requires those placing beef on the EU market to demonstrate that any 'relevant products' fed to the animals supplying the beef must be compliant with EUDR.

The legal opinion confirms that compound feed is not a 'relevant product' which means that no information on the compound feed given to those animals supplying beef for the EU market is required. AIC will be communicating this important legal opinion to our members and beef and dairy processor businesses early in 2025.

### 2.2 Development of AIC Sustainable Commodity Scheme (ASCS) standard aligned with EUDR requirements

AIC has put out for consultation an EUDR aligned standard, closing on 20<sup>th</sup> January. The EUDR Aligned Module sets out to demonstrate that Participants handling products within the scope of EUDR have systems in place which are aligned with the requirements of EUDR. The EUDR Aligned Module cannot confirm that participants are compliant with the requirements of EUDR, as compliance can only be assessed by the appointed competent authorities. However, being a certified participant will help meet the regulatory requirements, as appropriate documented procedures and processes will be in place. Following discussions with the UK Soya Manifesto Group and the AIC Soya Supply Group, it was recommended that AIC progress work to develop a standard based on EUDR alignment PLUS conversion. A further standard based on UKFRC alignment would be taken forward once Defra has given further details on the timescale for the implementation of this piece of legislation.

### 2.3 FSA engagement and regulated products reform process

James McCulloch was invited to present to the FSA Board and Senior Executive Team in late 2024, on how feed can contribute to sustainable livestock production and to consider some areas of regulation and legislation that might need to help encourage some of that innovation to come through.

Areas that James brought to the attention of the Board and Executive included:

- responsible sourcing and the potential role for precision breeding or gene editing
- access to co-products from biogas competition
- the TSE amendments which are being proposed to broaden the scope of proteins that we have access to
- former food products, potential improvement in the segregation of food waste streams so that we get more access to former food products which are safe to use in feed
- the feed additive environment, strategic reliance on Chinese supplies and highlighting the fact that we need a regulatory environment that enables some of these additives to come to the market in a more expedient manner
- novel protein streams and recognising that there needs to be some amendments to regulations to provide commercial opportunities.

In December and January, FSA have launched consultations on regulated products and other amendments to legislation designed to arrive at quicker approvals for regulated products.

### 2.4 Climate Change Agreements

Details of the new CCA scheme starting in January 2026 have been released. AIC is working with SLR Consulting to keep Members updated as further information on the data and reporting requirements are provided.

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## 3. Combinable Crops

### 3.1 Renewable energy directive

#### *(a) Accreditation*

The UK schemes have unofficially been notified that the deadline for accreditation is to be delayed until December 2026. Participants cannot be notified until notification has been received from the Commission. The accreditation issue remains for the UK schemes as UKAS does not sit within the EU.

#### *(b) NUTS2*

DfT has chased the Commission weekly regarding the technical assessment of the recalculated figures. The UK still awaits a positive assessment however, AIC is aware that other European countries submitted reports after the UK and have had their figures recognised. Following technical assessment, the reports will be written into legislation.



*(c) Union Database (UDB)*

Recently there has been consultation on a delegated act and implementation of the UDB. AIC has responded to the consultation via Coceral, collectively with the other RED Voluntary Schemes and as AIC. It is felt that the implementation of the UDB should be delayed. 16 Member States have written to the Commission supporting the UDB concept and its implementation but have asked for a delay.

*(d) REDIII*

All schemes were notified of REDIII and asked to resubmit documentation by the 4 November. The changes are minimal, update to the referencing of the Renewable Energy Directive to Revised Renewable Directive, change in definition to forests to include 'old forests', and the inclusion of a definition for 'heathland'. AIC resubmitted on 1 November, and a technical assessment approval is expected by February 2025.

### **3.2 Digital Passport for Combinable Crops**

The Digital Passport (DP) Leadership Group has been in ongoing discussions with the AHDB Cereals & Oilseeds (C&O) sector council, as well as stakeholders in Scotland and Northern Ireland. A key milestone has been reached, with all members of the Leadership Group and the AHDB C&O sector council now in agreement on the concept of the digital passport.

Consensus has also been reached regarding the position of the DP in Scotland and Northern Ireland. While NFU Scotland (NFUS) has withdrawn from the Leadership Group, they have given their approval for the project to proceed without their participation. Initially, the project will operate in England and Wales, with the possibility of Scottish businesses joining at a later stage. The Ulster Farmers' Union (UFU) will continue to observe the project's progress.

The adoption of the digital passport is contingent on securing grant funding to cover the costs of development, rollout, and initial operation. Efforts are ongoing in this area. A final review and due diligence on the budget and delivery options are currently underway, with a particular focus on the level of support necessary to facilitate a smooth transition across the supply chain. This review is being carried out in light of the time that has passed since the original industry consultation, ensuring that the funding bid is as realistic and accurate as possible.

### **3.3 AHDB administration fees**

AIC wrote to AHDB in response to a proposal regarding the administration fee paid to members, thanking AHDB for a productive meeting with AIC Committee Members and for providing details about the levy collected from the beef and lamb sectors. AIC highlighted that members have been collecting the levy on AHDB's behalf for many years, incurring various costs such as software development and IT infrastructure. AIC emphasised the need for proper recognition of these costs, pointing out that an average rebate of 3.28% per tonne is necessary to cover them.

AIC stressed that levy collection requires ongoing investment in systems and people, and all associated employer costs must be factored in. The letter also expressed concerns about AHDB's proposed reduction of the levy rebate to 0.44% starting in 2025.

## 4. Seed

### 4.1 Euroseeds congress and collaboration

AIC joined Euroseeds for their congress in Copenhagen in late 2024, with key updates from Euroseeds reflecting the fragmented nature of the new European Parliament and ongoing developments within the seed industry. This year's annual congress will take place in Edinburgh, (2025), and AIC will assist Euroseeds to support the event.

Other updates from Euroseeds include:

- the seed sector's role in balancing sustainability with economic growth, including a February vision for agriculture, fostering innovation, and considering new technologies like PRM, NGT, and biocontrol
- the importance of protein crops EU's efforts to reduce dependency on imports, with specific projects like BIO4SEED and the Legume Generation initiative
- a potential extension of PRM regulations, changes to seed law, and the need for better biological pesticide frameworks.

### 4.2 Oilseeds advocacy work

Since August 2024, AIC has been leading a group of supply chain stakeholders to support the UK's oilseeds sector and find ways to increase the area grown domestically in the face of current challenges. This follows a considerable decline in the area grown under oilseeds in the UK, with a forecasted 2025 output of below 800,000 tonnes. In a bid to reverse this trend and give UK growers greater confidence to produce oilseeds, AIC has united with other industry bodies, forming a UK Oilseeds Group (UKOG). Stakeholders working with AIC include the [Agriculture and Horticulture Development Board \(AHDB\)](#), the [British Society of Plant Breeders \(BSPB\)](#), [CropLife UK](#), the [Food and Drink Federation \(FDF\)](#), the [National Farmers Union \(NFU\)](#), and the [Seed Crusher and Oilseed Processors Association \(SCOPA\)](#).

With a Minister for Food Security and a recently elected Government with priorities including improving cropping diversity and pollinator numbers, this stakeholder group believes that now is a crucial time to push this advocacy work. The group of trade bodies will work together to lobby MPs and government officials, as well as inform wider stakeholders including think tanks, NGOs, and the media oilseeds sector facts as well as addressing practical barriers to their uptake. The UKOG work will complement the existing 'reboot' campaign, led by United Oilseeds. The UKOG has already secured a meeting with the Minister to discuss this trend as well as meeting with environmental and wildlife NGOs.

### 4.3 Precision Breeding Update

In September 2024, Minister Daniel Zeichner confirmed that precision breeding legislation in England would be taken forward by the new Government, without any changes to the legislative proposals brought by the last Government or by the FSA. However, since this announcement was made, few updates were provided. In January, after AIC joined research bodies, parliamentarians and MPs to write to the Minister, it was subsequently announced by the Secretary of State, Steve Reed, at the Oxford Farming Conference 2025, that the Secondary Legislation would be implemented by the end of March. This is welcome news. We expect the legislation to be accompanied by an FSA consultation on guidance for businesses making an application.

## 5. Crop Protection and Agronomy

### 5.1 Webinars explain the role of Crop Protection and Agronomy Members

AIC's Crop Protection and Agronomy sector is developing a series of one-hour webinars designed to inform policymakers of the vital role Members play in supporting farmers and growers to produce healthy, sustainable crops. Whilst AIC liaises continually with CRD and Defra officials on regulation and policy development, there is an opportunity, to broaden policy makers and regulators understanding of what AIC Members do.

The webinars will be delivered from mid-January through to March 2025 by AIC sector Members. It will cover topics providing an overview of the UK arable, horticulture, and amenity sectors, as well as a more detailed look at the UK distributor network, agronomist training, safe and secure storage and distribution of professional plant protection products and near market R&D undertaken by Members. The final webinar looks at the future of UK agriculture and horticulture including the use of technology, AI and big data.

Policymakers and officials have been invited to each of the one-hour sessions, with time designated for questions and discussion. Each presentation will be recorded for those unable to attend and to add to the soundbites that the sector can use to promote the work of AIC Members.

### 5.2 Changes to proof of competence requirements for purchasing and using professional-use rodenticides

From January 2026 buyers and users of professional SGARs must hold a relevant training certificate or be a CPD scheme member if certificates are older than 5 years. This means that the membership in Farm Assurance Schemes alone will not qualify as proof of competence for rodenticide purchase from 2026. Industry stakeholders are highlighting this change in proof of competence requirements so that those who need to have sufficient time to act.

### 5.3 Official Controls (Plant Protection Product) Regulations (OCR)

Under the OCR regulations businesses which produce, manufacture, process, import, store, distribute and sell amateur and professional plant protection products (PPPs) as well as users of professional PPPs are subject to inspection visits by Pesticide Enforcement Officers. The visits which check compliance with PPP regulations commenced to distributor stores in December 2021 and expanded to users of professional PPPs in April 2023.

AIC has asked for information on the number of visits to the various actors in the PPP chain and compliance since visits started. The most recent data to November 2024 shows that 731 visits have taken place, with 241 to mainly distributors and 490 to PPP users. Amongst distributors and users, the main areas of non-compliance were poorly maintained or absent bunds, poorly stocked or absent spill kits and a lack of suitable PPE. Amongst users an absence of spray records and PPP application equipment not being tested as required were noted. AIC is working with BASIS to ensure that BASIS Store Inspection audits align on the aspects of OCR. This should mean that stores which pass a BASIS audit should be compliant with a Pesticide Enforcement Officer visit.

## 6. Fertiliser

### 6.1 Regulation

#### a) A new Fertiliser Regulation

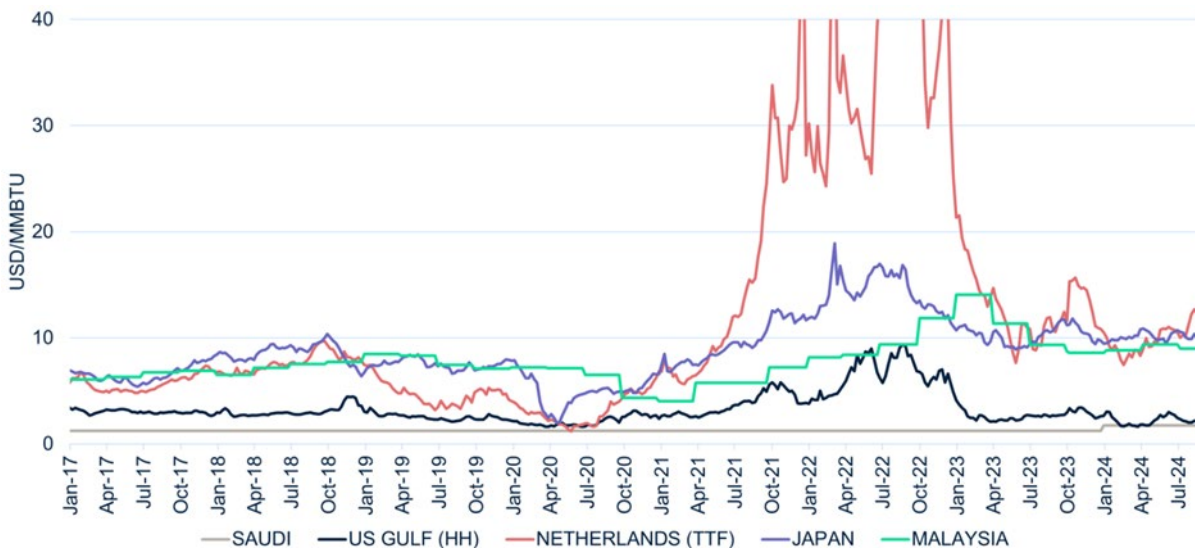
Consultation on a new Fertiliser regulation is still delayed. An adoption of the EU Fertilising Products Regulation would be politically expedient as it is in force in Northern Ireland. However, it is difficult to see how advantageous it would be for the domestic market, given that GB would have to accommodate its own testing and assessment protocols and could not rely on EU assessments (similar to our problems with REACH).

#### b) REACH

The previous administration had consulted on a new simpler format for a UK standalone REACH that recognised grandfathered REACH registrations. The chemical industry (including AIC) would still prefer a full alignment and recognition of the EU REACH system as this would allow the full global inventory of chemicals to be recognised and not require registration in the UK system.

### 6.2 Fertiliser Market

Raw Materials Costs Comparative gas prices /MBTU: US=C \$2-3, World = C \$8 and EU = C \$11



EU ammonia production (thousand tonnes)

2019	2020	2021	2022	2023
12,194	12,528	11,691	8,917	8,834

Source : Eurostat, PRODCOM database

Although natural gas prices in the EU have subsequently declined, they appear to have hit a floor which is significantly higher than prior to Russia’s invasion of Ukraine, since they are now determined by LNG imports rather than by Russian pipeline imports. Consequently, far larger disparities with natural gas prices prevailing

in other ammonia producing regions have emerged, thus seriously eroding the EU ammonia industry's international competitiveness.

The current market for fertilisers in the UK remains depressed. Total AIC tonnages for 2023/24 were on a par with 2022/23; with a noticeable shift away from solid urea in favour of nitrates. July to November tonnages generally were down on last year by 150KT or about 8%.

### 6.3 Trade and Carbon Border Adjustment Mechanism (CBAM)

UK Government intends to introduce a Carbon Border Adjustment Mechanism in 2027 to reduce the risk of 'Carbon leakage', to follow one year behind the EU. It will be a stand-alone scheme Based on ETS values and methodology but will not follow the European model of certificated carbon trading. All items currently scheduled under UK ETS will be in scope. This includes Nitrogenous fertilisers and their precursors, hydrogen, and ammonia, as their inclusion is intended to encourage national and international markets for carbon emission reduction and avoidance.

The likely import cost of non ETS compliant urea at a carbon price of £35 and with the current free allowances of 80%, would be IRO £9.90/tonne of embedded CO<sub>2</sub> or £18.82 a tonne of finished product. In January, it was announced that AIC has been invited as the representative body for the fertiliser industry to participate with other such affected industry representatives in the Joint Industry Working Group (JIWG). The UK CBAM JIWG was established following the Autumn Budget 2024, is tasked with collaborating on the development and implementation of the UK's CBAM. This small working group brings together industry leaders and Government to provide insights on the finer details during this coming year.

### 6.4 MV Ruby -Reputational management

In August the Russian bulk freighter MV Ruby set sail from Kandalaksha in northern Russia in July, en route to Africa, but was diverted after running aground on the 22 August damaging its hull and propeller. Following refusal to dock in Norway and the Baltic ports, it was anchored off UK coastal limits for a fortnight before UK Government allowed it to enter Great Yarmouth for fear of it foundering in the Channel. Its arrival raised widespread concerns about safety both locally, in the national press and within the industry at large owing primarily to the large amount of ammonium nitrate on board – C20,000 tonnes, of which several thousand tonnes was apparently technical grade – designed for use as mining explosives. The intention had been to transfer the product into a second vessel and allow the product to carry on to its final destination. The discharge and loading of ammonium nitrate would ordinarily not be cause for concern but this was a substantially large amount. Industry members perceived a distinct lack of capacity and expertise by the receiving port and its agents. Additionally, subsequent (but expected) contamination of some of the load with diesel oil and seawater- both known to cause synergistic effects with ammonium nitrate caused our industry major concern. Following the forwarding of photographs from members, by AIC to Defra and HSE of the operation on the dockside, lead the operation to take substantially longer to undertake that originally anticipated, notably due to the subsequent official intervention of HSE. HSE and Peel Ports eventually both contacted AIC for technical assistance, which for both insurance and reputational reasons was respectfully declined, although we did put them in contact with Dutch global specialists TNO.

The ship eventually left port on the 16<sup>th</sup> December and arrived at its African destination in Cote D' Ivoire on 30<sup>th</sup> December. The matter has been the subject of widespread speculation in the national press, owing to the amount of material involved. The Local MP has subsequently made a detailed intervention in Parliament raising serious allegations against the conduct of the operation and the UK regulatory departments' handling of the issue.

## 7. AIC Scotland

### 7.1 Agricultural Policy

There will be new requirements for Basic Payment Scheme recipients in 2025. The key change will be a requirement to start to complete a Whole Farm Plan. In the first instance, farmers are required to complete two out of five segments of the plan as a minimum. The components of the whole farm plan include a carbon audit, soil sampling and analysis, an animal health and welfare plan, an IPM plan and a biodiversity audit.

It is likely that the support changes will create opportunities for Members in a range of key areas. The guidance includes a recommendation to use a FACTS qualified adviser when making nutrient management decisions and a BASIS qualified adviser when creating an IPM plan.

### 7.2 Scottish Budget

In December, the Scottish Government set out its Budget for the year ahead, with agricultural spending now entirely within its control. £660 million has been allocated to farming and crofting for 2025/26, funding schemes such as Basic Payment Scheme, Greening, Less Favoured Area Support and Voluntary Coupled Support. £46 million had been previously deferred from agricultural funding, and of this, a timetable has been given which would expect to return £20 million in 2025/26 for capital expenditure with the remaining £26 million a year later.

### 7.3 Precision Breeding

In October, AIC Scotland [led a food and farming industry initiative](#) for the Scottish Government to drop its opposition to precision breeding technology. AIC Scotland joined forces with NFU Scotland and supply chain organisation GB Potatoes to urge the Scottish Government to unlock the potential of precision breeding for crops by passing legislation equivalent to that already enacted in England in 2023. In a letter co-signed by group, sent to the Cabinet Secretary for Rural Affairs, Land Reform and Islands, Mairi Gougeon MSP, industry called on the Scottish Government to set up an independent expert working group with industry to consider precision breeding technology. The group would assess the range of issues and evidence covering impacts on EU alignment and trade, the effect on agricultural productivity, scientific application, comparative international regulatory developments, and the cost of enforcing divergent gene editing policies.

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## 8. AIC Cymru

### 8.1 Wales Future Policy

It is pleasing to report positive announcements from the Welsh Government at the Winter Fair on 25 November regarding the Sustainable Farming Policy. Universal Actions, as the first tier of the policy will be reduced from 17 to 12. More importantly the contentious 10% tree cover per agricultural holding has been dropped.

While recommendations from the carbon sequestration evidence gathering exercise will be incorporated into certain universal actions. Farming Unions are generally positively receptive to the sense of direction but are cautious that no financials are as yet announced.

Additionally, the draft rural affairs budget announcement on 10 December maintaining the Basic Payment Scheme at £238m has been well received by the agricultural sector for Wales.

Full details will not be concluded until Q1 2025, but even additional grant funding may appear to have been reinstated which if confirmed again would be a positive development.

## 8.2 AIC Cymru stakeholder engagement

AIC Cymru attended a positive and productive Winter Fair. Prior to this we supported NFU Cymru at a Senedd member and stakeholder event at the Senedd in Cardiff showing the wider positive economic impact that Welsh agriculture brings to Wales. Our presence was timely and prominent given the recent Autumn budget announcements.

## 8.3 AIC Cymru developments

The AIC Cymru Committee meeting has succession in both the Chair and Vice Chair roles with Gareth Davies and David Evans relinquishing their responsibilities, to be taken up by Alister Davies as the new Chair and Richard Lewis taking on the Vice Chair. Claire Edby joins the Committee as from January 30, the first meeting for 2025.

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# 9. Northern Ireland

## 9.1 Ammonia

The DAERA Minister and his team met with stakeholders recently and seemed to indicate a re-think on their stance on preventing 'betterment' development in terms of ammonia emissions. We await the outcome of their deliberations, but there is concern at the asking farmers to continue with outdated buildings which are a source of ammonia emissions locally.

## 9.2 Carbon Farming Partnership

The Carbon calculator for on-farm carbon footprinting has now been selected. It has not yet been communicated publicly but it is almost a year behind its planned rollout.

## 9.3 Phosphorus

Further to the work done to establish the up-to-date P levels in feed by NIGTA over the summer months, DAERA have now tasked AFBI to verify our findings which challenge the notion that farming contributes two thirds of the excess P reaching water courses. This will involve sampling all RMs coming into NI at the ports and creating a mass balance figure. DAERA assumptions were that all feed was averaging 0.51% P whereas our recent work showed a lower figure of 0.43% P.

#### **9.4 LUNZH - “Land Use Net Zero Hub”**

The aim of this initiative is to create a joined-up approach across industry and between stakeholders. The programme, introducing the FABLE NI model (Food, Agriculture, Land and Energy) will hold a two-day workshop in January, and discuss wider ongoing research surrounding NI GHG inventory, land use and net zero from across NI academic partners. Attendees include stakeholders from across NI – i.e. farming, land users (NI water/National trust), policy (DAERA), environment (NIEL/nonprofit), energy, timber, young people (students/YFCU/UFU next gen) etc.

#### **9.5 Dairy Demonstrator**

A contract now signed at Defra and all signed off by AFBI. Meetings arranged to engage with all concerned beginning on 9 January.



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