

Integrating agroforestry into Scotland's climate change mitigation and adaptation policies

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Summary

Transitioning Scotland's food production to sustainable and resilient systems necessitates the adoption of a diverse range of climate-smart practices. With over 80% of the land under agriculture and a growing interest in agroforestry among farmers and crofters, agroforestry has the potential to contribute to the country's net-zero emissions aspirations by 2045 while maintaining food production and delivering biodiversity and other environmental objectives. The Scottish Government has committed to making Scottish Agriculture a leader in sustainable and regenerative farming, including by integrating trees on farms. However, despite the recognised benefits of agroforestry, this farming system has not been widely adopted in Scotland so far. This research brief provides insights on the policy challenges that impede uptake and spread of agroforestry in Scotland based on the [FARM TREE project](#) and offers policy solutions to increase the uptake of agroforestry.

Key findings

1. There are opportunities to significantly increase agroforestry coverage in Scotland due to existing interest among farmers, land managers and crofters to make their farms resilient and sustainable. However, agroforestry knowledge is limited, and often inaccessible. Existing information regarding agroforestry practices remains disjointed and requires more tailoring to individual farm contexts.
2. Tenant farmers are disadvantaged due to existing conditions under the Agricultural Holdings (Scotland) Act 2003 that limit options for tenants to engage in tree planting.
3. Grant schemes are available, but they are either unknown to farmers and crofters, or unsuitable and inflexible for individual tree planting needs and preferences.
4. Existing perceptions that adopting agroforestry may result in the loss of farm subsidies under the Basic Payment Scheme (BPS), and in some cases a concern about increasing meat imports if land is converted to woodland, make agroforestry unattractive for farmers and crofters.

Background

It is widely recognised that transforming our food systems into more climate-smart and sustainable practices is essential for achieving beneficial outcomes for both people and nature. Among many available approaches, **agroforestry – the intentional integration of woody plants into farming for specific objectives** – continues to attract interest among land managers and policy makers. Agroforestry has demonstrated significant benefits, including reducing soil erosion, replenishing soil fertility, enhancing soil microbiomes, boosting biodiversity, increasing crop and livestock productivity, and carbon sequestration.¹

Although the practice has existed for as long as farming itself, research indicates that a lack of knowledge, and fragmented and ineffective policy instruments have significantly hindered agroforestry adoption.² This research brief highlights some of the policy and incentive-based barriers to increasing agroforestry in Scotland. We categorise these into four types of policy barriers namely land tenure and tenancy conditions, incentives before engaging in agroforestry, impact of tree planting on farm subsidies, and non-financial support for sustaining agroforestry.

Land tenure and tenancy conditions

Although the tenancy system has undergone several reviews in Scotland, little attention has been given to tree planting by tenants, thus limiting their ability to engage in agroforestry. Due to concerns such as the right to buy and uncertainties regarding future changes in policy, landlords prefer shorter tenancy periods which is incompatible with most grant scheme conditions. For instance, agroforestry contract durations under the Forestry Grant Scheme (FGS) are 20 years, making most tenancies ineligible.

Even where the tenancy agreement is long enough, tree planting remains a contentious issue in tenancies, as current conditions do not permit it without explicit approval from the landowner and often require changes to individual tenancy agreements, making the process and investment exceptionally tedious for tenants.³ Where permission has been granted, it remains unclear who receives which financial and other benefits from the trees planted, further discouraging its adoption. The Land Use Tenancy model⁴ proposes new forms of flexible tenancy that would enable tenants to engage in agroforestry and other agricultural and non-agricultural activities within a single tenancy. Among other legal propositions to operationalize this, the model suggests defining the terms and conditions for agroforestry, outlining how benefits would be shared, and specifying how such tenancies could be terminated.

There is potential for the current Land Reform (Scotland) Bill to amend the provisions of the Agricultural Holdings (Scotland) Act 1991 to allow agroforestry to be undertaken by the tenant without consent or notice from the landlord, and to allow compensation for a wider range of improvements.



Incentives before engaging in agroforestry

Existing perceptions regarding incentives for tree planting are that these are designed for large-scale woodland creation, offering limited options for agroforestry. The FGS currently includes two 'agroforestry' options that specify a range of planting densities on at least 0.5 ha to maximum 15 ha. The small farm woodland scheme (min 0.25 ha – max 10 ha) sits under the 'woodland creation' options and has higher required planting densities although can cover shelter belts (min 15 m width). An earlier small-scale woodlands scheme allowed sheep but not cattle grazing. The Woodland Trust offers support via the Croft Woodland Projects.

"I tried again two years ago, and it is so difficult now that I wouldn't even attempt and also, the grant structure and everything is just geared to make Sitka spruce the only option."

FARMTREE interviewee

Interviews with farmers revealed their interest in tree planting, alongside a strong preference for planting trees in relatively unproductive areas of their farms. However, the prescriptive nature of grant scheme support often diminishes farmers' enthusiasm over time.

"We found that the forestry grants are a bit onerous for areas like [west coast] which are very, very difficult to get tree establishment, and you've got to try different types of trees, which is what we've done, to find the things that actually genuinely like living here, which isn't necessarily what we're told to put in by Scottish Forestry."

FARMTREE interviewee

Farmers and crofters also reported that expert advice on occasion disregarded their practical knowledge of what works in specific areas, leading to recommendations that are misaligned with their experiences of their environment. Consequently, farmers and crofters interested in agroforestry face a dilemma: either conform to guidelines they know are ineffective for the sake of financial assistance, or abandon the pursuit of public grants altogether. Other farmers also mentioned that they were unaware of the existence of incentives like the FGS, making it unlikely for them to apply.

Impact of tree planting on farm subsidies

Adopting agroforestry involves making changes to the original land use system, which has implications for farmers and crofters. Where agroforestry systems received funding through the FGS, the area remains eligible under the Basic Payment Scheme, but this is not the case if planting was undertaken outside the scheme. This explains the uncertainty of interviewees who believed that agroforestry system(s) might not qualify and thus result in the loss of payments. Information regarding changes takes time to reach farmers.

Some farmers believe that Scottish agriculture should prioritize maintaining its traditional mixed farming systems, with livestock production playing a crucial role due to its historical importance. Their argument that large-scale tree planting could lead to increased dependence on imported meat illustrates their perception of agroforestry equating to land use conversion to woodland and thus diminishing agricultural production capacity.

Non-financial support for sustaining agroforestry

Although expert knowledge on agroforestry is available through scientific publications, books, and online resources, there is a shortage of experts well-versed in agroforestry. Additionally, many farmers are unaware of how to access existing support and relevant knowledge, further hindering the adoption of agroforestry practices in Scotland. This is still the case, despite ongoing efforts from various organisations, such as Woodland Trust, Soil Association and initiatives by Scottish Government and Scottish Forestry via the Integrating Trees Network. Farmers who reported being able to access and find relevant agroforestry information cited consultants and advisors, online and on-farm agroforestry events, and published materials as key sources. However, participants also noted that these sources are often either not specific to their tree planting preferences or insufficient.

Policies to promote and increase agroforestry

Recommendation 1

Tenancy policies should balance the needs of landowners and tenants to foster an enabling environment for agroforestry among tenant farmers. Given that agroforestry systems often outlast tenancy agreements, a review of the Agricultural Holdings (Scotland) Act 2003 should ensure that the benefits of the planted trees and established systems are appropriately allocated to both parties, while reducing the burden on tenants to plant trees. Instead of requiring approval from landowners when adopting agroforestry, tenancy agreements should include clauses covering how decisions regarding agroforestry can be reached (e.g. for responsibilities and benefit allocation). The model of a Land Use Tenancy could also accommodate this recommendation.

Recommendation 2

A supportive policy environment should be created by expanding agroforestry options under the existing Forestry Grant Scheme (FGS) and increasing the flexibility of current incentives. Focus should be less on adhering to rigid guidelines on what, how, where and at what density to plant to qualify for public incentives. Instead, it should be possible for each agroforestry funding application to be evaluated based on the joint assessment of expert and farmer experiences of the planting site which initially informed the farmer's decision to plant trees. This approach is currently used by the Woodland Trust Scotland⁵ in their outreach work with farmers and land managers. While it is important to plant the right tree in the right place, enhancing the flexibility and diversity of incentives can significantly boost agroforestry coverage across the country. Detailed options to significantly expand agroforestry designs eligible for funding under the FGS were proposed in a recent report⁶.

Recommendation 3

Financial support for agroforestry should be non-competitive and may be more accessible if embedded into agricultural support schemes. The uncertainties around how agroforestry adoption impacts eligibility for support under the Basic Payment Scheme need to be addressed to alleviate concerns that adopting agroforestry might lead to reduced farm income from

subsidies. It is recommended that these subsidies explicitly include agroforestry systems that can be rewarded as innovative approaches to land management for the public good.

Recommendation 4

To support access to relevant information and knowledge, farm advisory service providers should employ specialist agroforestry advisors, and consultants should be upskilled to enable them to offer tailored agroforestry guidance to farmers, crofters and land managers. There is merit in establishing an agroforestry advisory board or committee that would provide technical guidance and align various programmes and policies aimed at promoting agroforestry. It would be tasked with ensuring that agroforestry information is easily accessible and accumulated for both research and practical purposes.

Methods

The empirical findings are based on 31 semi-structured interviews with farmers and crofters, including both adopters and non-adopters of agroforestry, carried out in Scotland in 2023-24.

Acknowledgements

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