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Report Highlights:

The May 7, 2026 elections in Wales and Scotland produced significant political shifts with direct implications for domestic agricultural policy. In the United Kingdom (UK), each of the 4 devolved nations, England, Scotland, Wales and Northern Ireland have the authority and independence to develop and implement their respective domestic agricultural policy, unlike trade policy, which remains under central UK government control. In Wales, the new ruling party is expected to reassess the previous government's Sustainable Farming Scheme (SFS). In Scotland, the new government is looking to institute price caps on food products, which is expected to be challenged.

Wales

Political Outcome

The Welsh Parliament (Senedd) election delivered the most dramatic upheaval in Welsh politics since devolution began in 1999. Welsh Labour collapsed to just 9 seats, with First Minister Eluned Morgan losing her own seat and resigning as party leader — a major blow to Prime Minister Keir Starmer, given Wales's historic status as Labour's most reliable electoral base. Plaid Cymru ("Party of Wales") emerged as the largest party for the first time, winning 43 of 96 seats, while Reform UK surged to second place with 34 seats. Plaid leader Rhun ap Iorwerth is now First Minister.

New Agricultural Minister

Llyr Gruffydd has been appointed Minister for Rural Resilience and Sustainability. He brings substantial relevant experience, having served as Plaid Cymru's Shadow Minister for Rural Affairs since 2018, chaired the Senedd's committee on climate change, environment, and infrastructure, and briefly served as Acting Party Leader in 2023. Both Welsh farming unions have welcomed his appointment:

- **The Farming Union of Wales (FUW)** cited his "understanding of the challenges facing Welsh agriculture and the importance of the sector to the social, cultural and economic fabric of Wales."
- **National Farmers Union (NFU) Cymru** noted he "brings a wealth of experience and understanding of the sector to this role at a critical time for the industry."

Agricultural Policy Outlook

Plaid Cymru campaigned on a platform of "evolving and refining" the SFS inherited from the Welsh Labour government. However, now in power and with closer scrutiny of the plans, the new administration's approach may shift.

Scotland

Political Outcome

The May 7 Holyrood election left First Minister John Swinney leading a 58-seat Scottish National Party (SNP) minority government in a highly fragmented parliament. Reform UK and Labour each secured 17 seats, while the Scottish Greens achieved a record 15 seats. The Scottish Rural Party made a modest debut in the Highlands and Islands, underscoring ongoing tensions over rural representation and environmental policy. Governing as a minority, the SNP will require support from at least one other party to advance its legislative agenda.

Key cabinet appointments include Jim Fairlie (now also covering marine and islands) and Gillian Martin, Cabinet Secretary for Climate Action and Rural Affairs, whose expanded portfolio must balance ambitious net-zero targets against the financial pressures facing Scotland's agricultural sector.

Agricultural Policy Outlook

The SNP government will continue phasing out EU-style Common Agricultural Policy (CAP), transitioning to a 4-tier farm support system by 2027. Key elements include:

- **Conditionality:** Full subsidy payments require compliance with enhanced greening standards, mandating that arable farms over 15 hectares dedicate 5 percent of land to Ecological Focus Areas and all producers implement Whole Farm Plans covering carbon, soil, and biodiversity.
- **Livestock:** Funding is tied to methane-reduction and emissions-efficiency targets, requiring producers to meet a maximum 410-day calving interval under the Scottish Suckler Beef Support Scheme, with exemptions for herds of 10 calves or fewer.
- **Land Reform:** New legislation accelerates the regulation of estates over 1,000 hectares through community buy-out powers, oversight by a Land and Communities Commissioner, and a requirement that private natural capital investments align with the Land Rights and Responsibilities Statement.
- **Environment:** Government funding maintains sustained capital investment in large-scale peatland restoration and native woodland expansion, working alongside the new elective agricultural tiers to meet Scotland's statutory net-zero and nature targets.

Food & Drink Policy Concerns

The SNP plans to cap prices on up to 50 staple foods, a move criticized by agricultural and retail groups for threatening producer margins. To soften the blow, a small budget allocation will support food processing alongside the domestic expansion of fruit, vegetable, and pulse production. Notably, a similar UK Treasury proposal for England was quickly abandoned following intense backlash.

Stakeholder Sentiment

Fairlie's retention is broadly welcomed by the agricultural community given his farming background. However, the shift to conditional, tiered support and mandatory Whole Farm Plans will substantially increase compliance burdens. Land reform measures signal a more interventionist government approach, and the food price cap remains a significant concern for producers. Farmers and crofters are seeking clarity on support levels, land reform implications, and the impact of price controls as the new cabinet settles in.

Attachments:

No Attachments.