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Bank of Scotland launches sustainability support for agriculture sector

UK farmers are set to benefit from a practical sustainability service and discounted lending as Bank of Scotland increases its support for the agriculture sector.

The bank is working with the Soil Association to pilot a new service – called the Soil Association Exchange (the “Exchange”). The scheme is designed to help British farmers accelerate their transition to Net Zero and identify financial and environmental advantages for their land.

Lloyds Banking Group, of which Bank of Scotland is part, will fund the service for up to 1,000 of its largest agriculture customers, helping them to improve the ecological footprint and overall sustainability of their operations. The Exchange covers soil health, carbon emissions, water quality, biodiversity, animal health, and the social and community impacts of the farm.

The pilot also aims to capture lessons from farmers to help create advice, guidance and support that can be applied across the agriculture industry as it seeks to achieve its target of Net Zero greenhouse gas emissions by 2040.

Bank of Scotland, together with AMC and Lloyds Bank, has provided around £1.6bn in financial support for the agriculture sector over the last two years through loans, credit facilities and other financing. In addition, the bank will now offer discounted finance for initiatives that make farms more sustainable, with one percentage point margin discount lending available from this week on loans of up to £50,000. The sustainable agriculture financing scheme builds on the success of the bank’s comprehensive Clean Growth Financing Initiative.

As part of its wider support for agriculture, Lloyds Banking Group, of which Bank of Scotland is part, has also increased the size of its dedicated agriculture relationship team to 65, a 12 percent increase, adding to its team of around 1,100 commercial banking professionals trained to advise businesses on a range of issues including climate change and sustainability-related risks.

Ian Collins, Area Director, Agriculture, Scotland and Northern England at Bank of Scotland, said:

“This is a challenging time for agriculture as farms face high and rising costs, and we are helping our customers to deal with those issues every day. But the direct impact of our changing climate hasn’t gone away. We want to help farms tackle the root causes of these challenges, accelerating their steps to meet Net Zero ambitions and to become more economically and environmentally sustainable in the medium and long term.

“We have a world-beating industry that has shown its ability to adapt and innovate to provide high-quality food to the domestic and international markets. We’re proud to continue our support for the sector. The introduction of the Exchange, a new, practical sustainability service, will help farmers unlock the benefits that becoming more environmentally sustainable can bring.”

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Minette Batters, President of National Farmers Union, said: “It’s fantastic to see Bank of Scotland announce support for farming’s Net Zero ambition at this extremely difficult time for the sector. It’s important that our investors back climate-smart farming with business resilience, and Lloyds will help deliver this with on-the-ground, practical support to farms across the UK.

“Farmers are crying out for specialist expertise to baseline and prioritise their progress to Net Zero. I hope the Exchange service and the specialist finance for green initiatives will go a long way to help businesses unlock how being more sustainable can bring multiple benefits, and I’m excited to see how this develops.”

Roger Ashby, Owner of Ashby Farms, said: “After my meeting with the Soil Association representatives, I now have a clearer understanding of carbon capture and the role it plays in climate change. The Soil Association have done a comprehensive study across the farm to ascertain carbon levels. From this we will be able to see not only what we need to do, but also what potential there is for new income sources.”

For more information on Bank of Scotland’s support for the agriculture industry and help to achieve Net Zero, please visit <https://business.bankofscotland.co.uk/industry-specialists/agriculture.html>.

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Notes to Editors

About the Soil Association Exchange

The service helps all UK farmers to:

- ▶ Measure: the climate, nature and health outcomes that they are delivering on farm
- ▶ Improve: the ecological health and performance of their farm through receiving tailored agriculture advice
- ▶ Reward: receive information about the financial benefits of farming sustainably

The pilot farm journey will involve data collection, farm visits, practice and impact scenario tools, the creation of farm action plans and reviews to measure impact of changes over time.

www.soilassociationexchange.com

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