

Food & Farming

First ever sustainable farming school launched

Morrisons, McDonalds UK, the NFU and Harper Adams University have partnered to launch what is being described as the UK's first school specifically for sustainable farming. The School of Sustainable Food and Farming will offer courses that educate students on regenerative agriculture, livestock health, carbon sequestration, green energy production and biodiversity. The school wants to support the sector to find answers to the overarching question of how British agriculture can achieve net zero carbon emissions, whilst continuing to produce nutritious food. Minette Batters, president of the NFU, explained 'the School will help farmers – both established and new – take on the role of world leaders in climate-friendly food production'. It will be based at Harper Adams University in Shropshire, and the courses will be designed in collaboration with Morrisons, McDonalds and the NFU. It will offer virtual courses as well as on-farm learning with university tutors. This 'national first' is seen as an important part of the UK's green recovery post Covid-19, upskilling and providing new learning and job opportunities for the rural sector and those interested in food and farming.

Government announces UK soil health action plan

Defra has confirmed that it will publish a new Soil Health Action Plan for England (SHAPE) which will help the UK meet its long-term legally binding targets on biodiversity. It will take a natural capital approach to improving soil health, considering the numerous biological, chemical and physical attributes of soil. The intention is that the SHAPE will provide certainty to farmers and land managers around the acceptable conditions of all soil types, and will include a framework of actions to improve and protect soil health. A soil health indicator, soil structure monitoring methodology and a soil health monitoring scheme will be developed to help land managers and farmers track the health of soil over time. It appears that the farm husbandry actions encouraged by the Sustainable Farming Incentive (SFI) will form an important part of the SHAPE. A consultation on a draft outline of the SHAPE will run in spring 2022.

Scottish agri-environment funding confirmed

The Agri-Environment Climate Scheme in Scotland has been extended until 2024 (with a new application round each year). Farmers, crofters and land managers will be able to apply for funding aimed at promoting low carbon farming and protecting the environment.

In 2021 only a restricted range of options were available. 2022 will see a much broader range of options offered, and the scheme guidance will be updated before applications open. Scottish Ministers have also agreed to deliver future rounds of the fund up to and including 2024, to provide ongoing certainty in line with a wider campaign to prioritise local and organic produce in public sector menus as part of Scotland's green recovery. An announcement on the future direction of farming support is still awaited from Scotland's new Agriculture Reform Implementation Oversight Board - the announcement may well be made during COP26 in Glasgow.

Policy

What does the UK's Net Zero Strategy mean for rural business?

The UK has published its Net Zero Strategy which sets out how the UK will deliver on its commitment to reach net zero emissions by 2050. The strategy's strapline 'Build Back Greener' emphasises that the government sees the path to net zero as one lined with opportunities rather than sacrifices; it aims to make 'net zero a net win for people, for industry, for the UK and for the planet'. It is expected that by following the strategy the UK will have secured 440,000 well-paid jobs and unlocked £90 billion of investment by 2030.

The government argues that the costs of inaction are greater than the costs of the transition and it has set four key principles which will underpin its decision making around costs:

1. Work with the grain of consumer choice (e.g. no one will be forced to switch their car or boiler)
2. Ensure the biggest polluters pay the most for the transition through fair carbon pricing
3. Ensure that the most vulnerable are protected through Government support
4. Work with businesses to continue delivering deep cost reductions in low carbon tech.

The strategy reinforces that the rural sector has a significant role to play in the UK's journey to net zero, with both responsibilities to decarbonise and also opportunities for investment through nature based carbon sequestration and biodiversity protection. However, there was no commitment to the role of soil carbon within the strategy. Interestingly, the government has made it clear that it does not want to dictate behavioural attitudes at all in the transition to reaching net zero. The Department for Business, Energy and Industrial Strategy released a new research paper that recommended that people shift their dietary habits towards plant based foods, however the paper was hastily deleted by the government who described it as academic research and not official policy. For more information on the strategy please see our briefing note.

ELM Landscape Recovery Scheme – What do we know so far?

The Landscape Recovery (LR) scheme is the third of the future Environmental Land Management schemes, intended to deliver long-term, large-scale, landscape and ecosystem recovery projects. In a series of webinars the Defra team behind LR explained its proposals for the first wave of LR projects. Defra wants to pilot 10 LR projects between 2022 and 2024 which would deliver over 20,000 hectares of wildlife-rich habitat. Each project will have a bespoke agreement specific to its aims and objectives. This scheme is by no means for all land managers or farmers. It will require collaboration, cooperation and time for planning and innovation. It is ambitious and represents a shake-up in the way that government funding has been channelled into the rural sector. LR represents a third of the ELM budget, and yet this scheme will not be accessible to all, and this reinforces the fact that land managers who are currently reliant on Basic Payment Scheme income are going to have to find alternative ways of sustaining their incomes. However, for land managers who are keen to engage with nature restoration and multi-stakeholder projects, this new scheme could provide the perfect funding opportunity. For more information, please see our briefing note.

Environment & Natural Capital

Where's the Environment Bill got to?

The Environment Bill is currently passing through its final stages in the House of Commons and the House of Lords, and is on track to gain Royal Assent before the end of the year. Stakeholders were disappointed that the government used its majority in the Commons' to reject most of the Lords' proposed amendments to the Bill. However some concessions have been made via policy announcements and government amendments in lieu.

Veteran trees and ancient woodland were a particular area of focus, the National Planning Policy Framework (NPPF) will be reviewed to ensure that it is being correctly implemented where they are involved. In addition, there will be a consultation on "strengthening the wording of the NPPF to ensure the strongest protection of ancient woodland while recognising the complex delivery challenges for major infrastructure". Local planning authorities will be required to consult the secretary of state for levelling up, housing and communities if they are minded to grant planning permission for developments affecting ancient woodland. A government amendment also clarifies that conservation covenant agreements must be executed as deeds, a move that highlights the depth of consideration that should be given to such long-term undertakings.

Savills Amenity Woodland Spotlight launched

Woodland management is rising in importance, not just for returns from timber production, but also for the diversification opportunities woodlands can bring. A renewed interest in woodlands is emerging as a result of farmers looking to utilise under-used assets such as farm woodlands. In our latest [research spotlight](#), we look at the market for amenity woodland, and the plethora of opportunities these assets can provide.

- Woodland creation vs woodland management
- Environmental investment
- Woodland diversifications

Amenity woodland is often seen as the inferior, less productive cousin to fully fledged commercial forestry. This spotlight challenges that assumption, and instead demonstrates that in today's socio-political context, woodlands managed for people and the environment are not only highly valued, but also have the potential for resilient, diversified income opportunities. As with all land management, these opportunities don't come ready served on a plate, unlocking the benefits of amenity woodlands requires careful planning, expertise and commitment.

Property & Development

The future of heat in rural homes

Buildings are one of the most significant obstacles standing in the way of the government's net zero aspirations for the nation. In order to overcome this particular obstacle, it has released its Heat and Buildings Strategy which

outlines how £3.9 billion will be spent over the next three years to decarbonise buildings and change how they are heated:

- Social Housing Decarbonisation Fund (£800 million)
- Home Upgrade Grant scheme (£950 million)
- Boiler Upgrade Scheme (£450 million)
- Heat Networks Transformation Programme (£338 million)
- Public Sector Decarbonisation Scheme (£1,425 million).

Simultaneously with the Heat and Buildings Strategy a consultation on “Phasing out the installation of fossil fuel heating in homes off the gas grid” has been launched, which proposes:

- An end to the installation of fossil fuel heating in homes off the gas grid from 2026
- A ‘heat pump first’ approach to replacement heating systems from 2026
- Requiring high performing heating systems in cases where heat pumps cannot reasonably be installed.

It is apparent that rural areas stand to be disproportionately affected by the proposals due to their heavy reliance on off-gas-grid technologies such as oil and LPG. For this reason, rural home owners should consider taking advantage of the Boiler Upgrade Scheme which will make £5,000 grants available from April 2022 for the installation of heat pumps. For more information, please see our briefing note.

Business & Economy

Agriculture largely unaffected by the Autumn Budget

Having announced a raft of measures that were to be included in the Budget to the press ahead of his speech in the Commons, there was less anticipation about what Rishi Sunak, the Chancellor, had in store for his Autumn Budget and Spending Review. The Chancellor pledged major increases in public spending to support a higher wage, higher skilled and higher productivity economy amid revisions to forecasts suggesting higher than expected economic growth. As inflation is likely to rise to 4% by the end of the year, the Chancellor also stated that he has written to the Bank of England to ‘reaffirm its remit to achieve low and stable inflation’.

Whilst the Budget did not include any major reforms on capital taxation, such as Inheritance Tax, rural businesses will be impacted by the rise in the National Living Wage, which added to rising costs of inputs and materials, could increase businesses’ outgoings significantly. However, the Budget brings good news for the retail, leisure and hospitality sectors, with a 50% cut in business rates for 12 months - the maximum discount is set at £110,000. This, combined with the shake-up of alcohol duties, will support diversified rural businesses. Mr Sunak has confirmed that for other sectors, business rates will not be increased next year. The tax cuts for research and development may support some innovation in the agricultural sector but this Budget does little to relieve the day-to-day concerns of farmers and rural business owners as the country emerges out of the pandemic.

Government responds to Trade and Agriculture Commission

The government has published its long awaited response to the Trade and Agriculture Commission’s (TAC) report that was released in March 2021. The TAC’s report contained 22 recommendations for how the UK government could ensure that UK farmers and food producers make the most out of the export opportunities of ‘Global Britain’ whilst at the same time safeguarding UK production standards, and not undercutting UK producers with cheaper imports. All whilst avoiding implementing protectionist or trade-distorting policies. The TAC agreed that this is a ‘tough nut to crack’.

The government welcomed the TAC’s approach, and said that it shares the TAC’s optimism for the future of UK trade and the new opportunities that a positive and ambitious agri-food trading policy will unlock. The government wants to ‘unleash the potential of UK businesses through its ambitious trade programme and also wants to see UK farmers leading the way in the world’s most vibrant markets. Success for UK producers overseas means income for farmers across the UK to invest in their business for the future’. Within its response, the government has reaffirmed its commitment to uphold the UK’s high environmental and animal welfare standards, explaining that the UK’s reputation for high quality products drives demand for UK goods across the globe. The government commits to:

- Setting out its approach to agri-food trade within the forthcoming Food Strategy White Paper
- Strengthening and evolving the Trade and Agriculture Commission’s role to create a new body with a remit to scrutinise all final trade deals.
- Use its influence in the WTO to argue for better and fairer trading rules for producers and consumers worldwide

- Appoint more dedicated 'agri-food attaches' to act as representatives on the ground to unlock global markets.

The response is positive, however it fails to tackle the nitty gritty of how the government actually intends to ensure domestic production standards are not undermined. In this case, actions speak louder than words.

UK – New Zealand trade deal causes concern for farmers

The UK has agreed a free trade deal with New Zealand. The government say that the deal will cut costs for exporters, however overall only 0.2% of UK trade is currently done with New Zealand. According to the government's own estimates, the deal itself is unlikely to boost UK growth, but it may be a step towards joining a trade club with nations such as Canada and Japan. However, there is significant concern in the rural sector that the trade deal could undercut domestic UK producers. It may enable New Zealand to sell more lamb to the UK, and the NFU is concerned that the deal could have a huge downside, particularly for UK dairy and meat farmers. NFU president Minette Batters said that the Australia and New Zealand deals mean 'we will be opening our doors to significant extra volumes of imported food - whether or not produced to our own high standards - while securing almost nothing in return for UK farmers'. Anne-Marie Trevelyan, international trade secretary, said British farmers should not be concerned about increased lamb imports because the lambing seasons were different in the UK and New Zealand.

Other Rural News

Savills Commercial Forestry Market in Minutes launched

Our latest Market in Minutes: [Commercial Forestry](#) focuses on the current market for commercial forestry and discusses the unprecedented interest for commercial forestry as an investment class. The key findings include:

- During 2021, commercial forestry values rose further and at an extraordinary rate
- Intense competition in the marketplace has resulted in the sale price of several best in class commercial forest properties exceeding the asking price by over 100% and most achieving considerably more than expected.

The traditional market drivers maintain interest in timber forests, but new factors fuelled by the climate crisis have acted as a strong stimulant to interest.

And finally...

Pigs patrol airport

A Dutch airport has enlisted 20 pigs to save air passengers' bacon, to stop flocks of geese from smashing into planes. The 'protective porkers' have been deployed on 500 acres of farmland between two runways at Amsterdam's Schiphol airport in a six week experiment. The productive farmland often has standing water upon it, which attracts geese that present a significant risk to flying aircraft. The hope is that the pigs will scare the geese away.

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