

Food & Farming

Insight into the global farmland market

Savills latest Spotlight on Global Farmland reports on market performance, competing pressures on land and includes a deep dive into the investment opportunities offered by the Spanish farmland market. The Savills Global Farmland Index tracks average capital value performance for agricultural land across the world. Value growth was more restrained in 2022 when compared to 2021, averaging just 3.3%. The top performers on a US dollar basis were the US (14.3%), Australia (10.9%), and Brazil (45.2%) - which has continued an extraordinary few years of growth. With increasing demands on farmland, long-term growth is expected to continue.

These increasing land use demands include renewables, afforestation and biodiversity, all competing with food production but being prioritised differently worldwide. Using renewables as an example; China, the largest producer of solar energy, recently announced that new solar developments should not be built on farmland, grasslands or protected forest lands. In contrast, Germany, where agri-voltaics are increasingly popular, has announced that solar arrays which can share land with farming will be allowed on set-aside land designated to promote biodiversity under the Common Agricultural Policy.

Finally, the Spotlight explores specific farmland opportunities within Spain, which is attracting global investors given its status as a leading producer and exporter of high-value crops such as vegetables, fruit and tree nuts. Global almond consumption has increased at an annual average rate of 4.8% over the last 20 years and Spain, as the world's second-largest almond-producing country, is very well placed to take advantage of this. Additionally, large-scale properties of 500 hectares or more continue to come to the market, and as Spain is one of Europe's leading agricultural economies with an unparalleled business environment, it provides an excellent investment opportunity. To find out more read the full [Spotlight](#) or contact Jonny Griffiths our Head of International Farmland.

Access to glyphosate will remain

"The science is clear. The farmers need it. It is critical to regenerative farming. It is staying." Those were the words of Defra Secretary of State Thérèse Coffey, speaking about the herbicide glyphosate at a Westminster reception. Glyphosate is currently authorised for use in the UK until December 2025 due to a three-year extension granted to cover the period whilst the UK's post-Brexit pesticides regulatory regime is developed. In the EU its authorisation expires in December 2023 and work on its renewal continues. The European Food Safety Authority recently found no critical areas of concern in its peer review of the risk assessment for the herbicide. This view is consistent with an 11,000-page report from an investigation by scientific experts in four nations who were appointed by the European Commission in 2021. A renewal for ten years has been proposed.

What do we want from food?

Almost nine-in-10 people (88%) think it's important farmers are paid fairly for their work. A similar proportion (87%) think it's important that everyone in society has enough healthy food, while 82% say food should be produced without harming the planet. In a similar vein, 68% back extra support for farmers to help them transition towards more sustainable farming practices. These are just some of the [findings](#) from national polling of 2,000 people and public dialogue sessions in Birmingham and Cambridge conducted by the Food, Farming and Countryside Commission.

An alternative to palm oil discovered

Researchers at Queen Margaret University in Edinburgh have found an alternative to palm oil that is 70% better for the environment. PALM-ALT is also healthier, with 80% less saturated fat and 30% fewer calories. Estimates suggest nearly half of all food and cosmetic products contain palm oil, making it the world's most-produced vegetable oil, accounting for 40% of total production. Its popularity is down to several characteristics: odourless, colourless and tasteless while acting as a natural preservative and retaining these properties even at high temperatures. A consequence of its popularity has been deforestation to expand production, 8% of deforestation between 1990 and 2008 has been attributed to palm oil production. PALM-ALT is synthesised from a by-product of linseed processing with the addition of natural fibre and rapeseed oil, making it an entirely plant-based product.

Improving photosynthesis efficiency in crops

Farming and science have made great strides in agricultural efficiency over the decades, but conversion efficiency has not been improved; this is how effectively a plant converts solar radiation to biomass through photosynthesis. Professor Steve Long of the University of Illinois is seeking to change this with the Realizing Increased Photosynthetic Efficiency (Ripe) project he is directing.

The efficiency of photosynthesis in crop plants is well below the theoretical maximum but it is difficult to increase due to the huge number of biochemical steps involved in the process and even more influencing genes. To calculate how best to improve the process, Professor Long and his team have built a digital twin of the photosynthesis process so they can tweak and simulate the process in millions of ways to find which makes the biggest improvements. Next, the digital crops can be engineered into real-world examples to see if the simulated improvements are replicated in a greenhouse and then on a test farm. Early results show promise. Changes to the photosynthesis mechanism in soybean plants have improved the yield by more than 20% in controlled environments - field trials are now underway.

Australia targets the UK red meat market

The Aussie Beef & Lamb (ABL) brand is launching in the UK, funded by red meat levies from Australian livestock farmers. The UK-Australia Free Trade Agreement came into force in June 2023 making it possible for Australia to market an increasing amount of meat products here without incurring tariffs. Stephen Edwards, UK business manager for Meat and Livestock Australia (MLA), said the organisation was focused on marketing premium grain-fed and wagyu beef to foodservice operators, rather than flooding the market with low-cost products. MLA said that its aim for the ABL brand in the UK market is to service a greater proportion of the 400,000 tonnes of beef and 80,000 tonnes of sheep meat that is already imported into the UK from overseas countries each year. The UK currently imports around a third of its red meat, mainly from regions such as Eastern Europe, New Zealand and South America.

Policy

Habitat Wales Scheme 2024/25

The Habitat Wales Scheme is now open for applications. It is the new interim agri-environment scheme to bridge the gap between the end of Glastir in December 2023 and the anticipated start of the Sustainable Farming Scheme in 2025. Habitat Wales Scheme contracts will commence in January 2024. If you would like to discuss the scheme please contact [Will Davies](#).

Tackling the nature emergency in Scotland

The Scottish government has published a lengthy consultation covering three major elements of a new framework for nature recovery in Scotland. This includes a revised Scottish Biodiversity Strategy, details of its first five-year Delivery Plan and elements of a new Natural Environment Bill. The Delivery Plan is indicative of the government's legislative and policy programme for the next five years and contains several actions relevant to land managers including:

- Introduction of statutory Nature Restoration Targets to accelerate regeneration.
- Incorporate Nature Networks into policy frameworks and decision-making processes nationally by 2030.
- Embed nature-positive farming, fishing and forestry, e.g. by requiring farmers to adopt certain practices to qualify for agricultural payments.
- Protect and support the recovery of vulnerable and important species and habitats.
- Establish nationwide advice for land managers on biodiversity management including best practices and innovation through the complimentary tier of the new agricultural payment framework.
- Subject to decisions on future legislative programmes, place specific requirements on public bodies and local government through Bills on Land Reform, Wellbeing and Sustainable Development.

More information can be found in our latest briefing note.

Environment & Natural Capital

Biodiversity Net Gain delayed

Throughout 2023 preparation for the introduction of mandatory Biodiversity Net Gain (BNG) has continued within the government, land management and development sectors. BNG will require most new development in England to ensure it results in a 10% net increase in biodiversity relative to the site's baseline from before the development started. For landowners, this creates an opportunity to alter land management to generate and sell biodiversity

units for use as offsets. BNG was due to become mandatory in November 2023 but a delay until January 2024 has been announced. Our new briefing note outlines the information that has been released so far this year, what information is still awaited, and answers frequently asked questions. If you would like to discuss a BNG project please contact [Hannah Turner](#).

Which Countryside Stewardship options are most popular?

As of April this year, 32,630 Countryside Stewardship (CS) agreements were in place as well as 7,408 Environmental Stewardship agreements from the previous generation of the scheme. The most popular CS revenue option is 'permanent grassland with very low inputs (outside SDAs)' also known as GS2. It has been selected in 17,600 agreements (53%) and covers 314,000 hectares - which is more land than any other option. The top ten most popular revenue options by number of agreements are:

1. Permanent grassland with very low inputs (outside SDAs) (GS2)
2. Management of hedgerows (BE3)
3. Winter bird food (AB9)
4. 4-6m buffer strip on cultivated land (SW1)
5. Flower-rich margins and plots (AB8)
6. Take small areas out of management (GS1)
7. Legume and herb-rich swards (GS4)
8. Maintenance of weatherproof traditional farm buildings (HS1)
9. Nectar flower mix (AB1)
10. Lenient grazing supplement (GS17)

If you would like to discuss agri-environment agreements, please contact [Georgina Sweeting](#).

More support for natural flood management

An additional £25 million is being invested in natural flood management (NFM) projects. NFM uses the management of natural processes, such as woodland, soil or floodplain management, to reduce the risk of flooding by slowing or storing water. Flood risk mitigation is often accompanied by co-benefits such as improved biodiversity, improved water quality or carbon capture. Applications to the new funding stream are open to everyone, however, the Environment Agency expects farmers and land managers, as well as risk management authorities and community groups, to be the most likely lead applicants. The deadline is 10 November. If you would like to discuss flood and nutrient mitigation projects please contact [Julia Pound](#).

Hen harrier numbers rise again

The population of hen harriers in England has risen for the seventh year in a row. 141 chicks successfully fledged this year, a 20% increase on last year. Of the 54 nests reported, 36 were successful. As a result, hen harrier numbers are now at their highest level in 200 years. As part of conservation efforts to help numbers recover, Natural England confirmed 24 chicks of this year's clutch were taken from six nests on grouse moors, reared in captivity and then released back into the same area as part of its Brood Management Trial.

Survey on farmers' decision-making about biodiversity schemes

As support transitions from direct payments towards public goods, Osnabrück University and the James Hutton Institute are seeking to understand funding options that work for farmers when it comes to increasing biodiversity on their farms. Their [survey](#) is aimed at farmers in England and Scotland to gather their views on different hypothetical biodiversity schemes. It will help establish whether farmers prioritise the amount of funding, source of funding or type of funding when deciding to participate in schemes.

Property & Development

Do we know any more about energy efficiency?

Prime Minister Rishi Sunak's promises to scrap a meat tax and never force anyone to rip out their old boiler certainly grabbed headlines and seemed unequivocal. Yet there wasn't a policy proposal for a meat tax and the boiler ban was due to target new installations, not existing, functional units. Behind these headlines were more specific changes to the Boiler Upgrade Scheme and a decision on future EPC targets.

The proposed ban on installing fossil fuel boilers in homes off the gas grid by 2026 will be delayed to 2035. Households that will struggle the most with this ban, will benefit from an exemption. This is expected to cover about a fifth of homes, including off-gas-grid homes and those that will need expensive retrofitting or a very large electricity connection.

As the size of the stick for low carbon heat has shrunk, the carrot appears likely to grow. The Prime Minister announced that the Boiler Upgrade Scheme grant will be increased by 50% to £7,500 to help households who want to replace their fossil fuel boilers with a low-carbon alternative like a heat pump. It is unclear if this 50% uplift will apply to ground source heat pumps which can currently benefit from a higher grant of up to £6,000. If so, this would mean a maximum grant amount of £9,000 for this technology.

Our latest Spotlight on the [Future of Rural Homes](#) discussed the impact of the uncertainty created by the government's delayed response to its consultation on future minimum energy efficiency standards (MEES). It argued that landlords should develop an energy efficiency strategy focused on the big picture of net zero rather than the next EPC target. The headline proposals within the government's consultation had been to increase the minimum requirement to an energy efficiency rating of band C by 2025 for new tenancies and 2028 for existing tenancies. Via the Prime Minister's speech, the government has confirmed the proposals have been scrapped, meaning properties will only have to comply with existing legislation to achieve band E. It will continue to encourage energy efficiency upgrades where they are feasible.

Scotland: Final rent cap extension approved

Measures to protect tenants through the cost of living crisis will be extended for a further period of up to six months following a vote by MSPs. Those measures include a 3% cap on in-tenancy private rent increases within any 12-month period. The enforcement of evictions will continue to be paused for six months for most tenants, except in several specified circumstances. MSPs voted for a final extension meaning the rent cap and eviction protections will be in place until March 2024 at the latest.

Business & Economy

Space solar will become financially viable

Solar panels in space are becoming more financially viable as the cost of launching heavy cargo falls. Tim Peake, who was the first European Space Agency (ESA) astronaut from Britain to visit the International Space Station, said the ESA has been exploring the idea of space-based solar power plants. The agency commissioned two concept studies this year and is hoping to present a business case to the EU by 2025. Peake said the agency had calculated that solar farms in space would be financially viable once cargo could be launched for \$1,000 (£807) per kg. The current cost is around \$2,700 per kg, but new rocket designs such as the Falcon Heavy and Starship by SpaceX could bring the cost down to as low as \$300 per kg due to their reusable designs. Solar panels in space would be able to generate electricity continuously and beam it back to Earth using microwaves.

What do the new Nature-related Financial Disclosures mean?

A new set of global disclosures has been published, known as the Taskforce on Nature-related Financial Disclosures (TNFD). The TNFD framework requires organisations to disclose their nature-related dependencies and impacts across their entire value chain, from the sourcing of materials to the delivery of products to the customer. TNFD has not yet been adopted by the UK government, meaning it is voluntary for UK-regulated businesses. However, many are likely to find a compelling case for voluntary adoption given the latest UK State of Nature Report confirms wildlife is continuing to decline - of the species studied there has been an average decline of 19% since 1970.

Similarities between the TNFD and the Taskforce on Climate-related Financial Disclosures (TCFD) are obvious. The TCFD recommendations for large businesses encourage them to find out and publish key pieces of information relating to the climate impact and risk of their operations. Disclosures are intended to drive risk-averse investors away from polluting businesses or make them a target for activist investors looking for businesses that need a coherent carbon transition strategy. In 2021, the UK government made it mandatory for certain businesses in the UK to comply with TCFD. Given similarities in structure, it should be relatively easy for businesses reporting under TCFD to adopt the wider range of nature impact metrics under TNFD.

The TNFD framework guidance makes it clear that primary producers and land-based businesses are a key source of nature-related risks for organisations. Financial institutions with direct lending or indirect financing to agriculture and forestry will need more information about what farmers and foresters are doing, to reduce and mitigate their nature-related risks. For example, TNFD impact metrics include 'the amount of input sourced from regenerative systems' likely leading more businesses to seek to source from this type of farming system.

Other Rural News

Sycamore Gap tree felled

The iconic 300-year-old Sycamore Gap tree has been deliberately and illegally felled. The national landmark was close to Hadrian's Wall in Northumberland, it was made famous by the 1991 film Robin Hood: Prince of Thieves and has previously been voted 'tree of the year'. Police described it as a deliberate act of vandalism and at the time of writing two arrests have been made. Hope remains that the tree will rise again. National Trust general manager Andrew Poad said the stump was "healthy" and they might be able to coppice the tree, where new shoots grow from the base of a trunk.

And finally...

Asian hornets: how to hunt the hunters

Asian hornets arrived in France in 2004 and the rest of Europe soon thereafter. They reached the UK in 2016, but numbers have remained low until this year. So far in 2023, 42 nests have been identified by Defra's Asian Hornet Action Team (AHAT). As the problem has grown, so too has AHAT's effectiveness. At first, it took 40 people three weeks to find a nest. Now, three people can find a remote nest in 48 hours. Each potential sighting sent to Defra's Asian Hornet Watch app is checked and, if credible, followed up. If a sighting is confirmed, a bait station is set up and any hornets that arrive are traced by recording the time it takes them to fly from the bait to the unknown nest location and back again. By repeating the process, the nest can be triangulated down to as little as a 10-metre area. The nest is then destroyed and the DNA of its former inhabitants is analysed to see if they are related to those from previous.

If you have queries regarding any of the articles, please contact us.

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