

Food & Farming

Government response to high fertiliser prices and manure issues

The global rise in gas prices has led to rapidly increasing fertiliser prices and a tightening in the global availability of fertiliser. Farmers are facing unprecedented price hikes. Defra has therefore made several announcements in order to help farmers in England manage and adapt to rising input costs. The planned introduction of limits on the use of urea fertiliser (only allowing untreated or unprotected urea fertilisers to be used between 15 January and 31 March each year) will be delayed by at least a year. Defra has published new [statutory guidance](#) relating to the use of slurry and other manure types during autumn and winter. Its effect is to clarify that the government does not intend to ban autumn manure spreading through the Farming Rules for Water. The guidance details the assessment process farmers should follow when planning their applications to ensure they are within the regulations and is clear that the soil and crop need for nitrogen should be assessed based on an annual crop cycle.

Alongside these measures, grants to support investment in slurry systems including for slurry stores and store covers will be available in the autumn. They are being promoted to help farmers reduce their dependency on artificial fertilisers by storing organic nutrients until needed, or for onward processing. In response to rising fertiliser prices the government considers the priority to be pioneering new technologies to manufacture more organic-based fertiliser products, and rediscovering techniques such as the use of nitrogen fixing legumes and clovers as an alternative to fertiliser. The latter will be supported through Sustainable Farming Incentive standards such as the arable and horticultural soils standard and improved grassland soils standard.

Supermarkets need to pay more for UK milk

The head of Arla has said supermarket milk prices in the UK need to rise by approximately 30% in order to cover the rising input costs of dairy production. Otherwise, Arla has said it will start exporting British milk overseas where British farmers can get better returns. The cost of dairy production in the UK has increased in some cases by 36% due to rising feed, fuel and fertiliser costs and this means on many dairy farms the cashflow is negative. As a result of the higher costs, farmers are producing less milk, with a 4% decline in monthly output in March 2022. According to Arla, the price of milk in UK supermarkets is now 7% lower than it was 10 years ago. Arla believes global demand for dairy is an opportunity for farmers in the UK. The prices paid to farmers abroad are now 15% higher than the UK market price, and therefore the dairy cooperative is considering exporting UK dairy at scale.

Morrisons back the bacon

Morrisons has announced it is going to increase the price it pays for pork, in order to support pig producers currently affected by the ongoing pig crisis. It intends to increase its weekly contribution price by 30p per kg to 180p per kg. The move by Morrisons followed a call from the National Pig Association (NPA) for more support from retailers. Producers need the price to be over £2 per kg in order to break even against a backdrop of increasing input prices and a continued backlog of pigs on farm. The NPA says price increases are a 'good move', but more support is needed, and other retailers also need to step up and increase their prices closer to the cost of production in order to safeguard the future of British pork.

Policy

Sustainable Farming Incentive to launch in June

Defra plans to launch the Sustainable Farming Incentive (SFI) in June 2022. In advance of this it has released [full details](#) of the standards and payment rates that will be available this year:

- Arable and horticultural soils standard: Introductory level (£22 per hectare); Intermediate level (£40 per hectare)
- Improved grassland soils standard: Introductory level (£28 per hectare); Intermediate level (£58 per hectare)
- Moorland standard: Introductory level (£10.30 per hectare plus additional £265 per agreement)

To be eligible for an SFI standards agreement, the applicant must be eligible for the basic payment scheme and have land in England. Having management control of the land for the duration of the three-year SFI standards agreement is essential, and the land type and land cover must be eligible for the specific standard. If a tenant is farming the land, it is the tenant who will receive the SFI payments. Land in an existing agri-environment scheme

agreement, such as Countryside Stewardship, may also be eligible for an SFI standards agreement if the activities being funded are compatible but not the same (in order to avoid double funding). Those interested in applying can start preparing now by checking land details on the digital maps in the rural payments service and requesting any updates necessary to land covers. If you would like to discuss how to integrate the SFI into your farming system, please contact [Georgina Sweeting](#).

More transparency on land ownership in Scotland

As part of the Scottish government's ongoing land reform agenda and commitment to improve transparency of land ownership, it has, as of 1st April 2022, introduced a new Register of Persons Holding a Controlled Interest (RCI) in land. The register provides key information about those who make decisions about the management of land, even if they are not registered as the owner, including overseas entities and trusts. The information will be freely available to individuals and communities in order to enable them to identify and engage with those who make decisions about land that may affect them. The RCI is a register of persons who own or are tenants of (under a long lease of more than 20 years) land, including entities with legal personality. Entries flow from the recorded person, who is obliged to disclose persons who have significant influence or control over decisions in relation to land. The RCI will be maintained by The Registers of Scotland. Penalties for non-compliance with the register will come into force in from 1 April 2023.

Environment & Natural Capital

Guiding principles for environmental schemes and tenancies

The Country Land and Business Association and the Tenant Farmers Association have issued joint guidance to support their members in England to navigate the agricultural transition period as the basic payment scheme is phased out and farmers are supported through new Environmental Land Management schemes and the emergence of private sector environmental markets. The guidance includes core principles in order to provide clarity on how tenants and landowners should approach these new opportunities. Both organisations agree that the person delivering the environmental services should be entitled to receive payment, unless they are acting as a contractor or employee, and that there must be clarity over who is entering into environmental agreements or contracts in order to avoid the risk of inadvertent double funding. The organisations say landlords and tenants can and should work together to unlock additional marriage value from environmental investment.

New proposals for nature recovery in England

The government has published a nature recovery green paper focused on achieving the UK's target to halt the decline in species abundance and protect 30% of the UK's land and sea by 2030. To help achieve this it is proposing to amend the current environmental regulatory landscape for protected sites and species as it believes it has become too complex and ineffective. The government wants to move away from the current designation system of Sites of Special Scientific Interest, Special Areas of Conservation and Special Protection Areas, and instead move towards a new system of designations based on scientific judgement, with more consistency yet also one that enables a tailored approach to site specific nature recovery. This redefinition of species and site protections is being undertaken alongside the development of the Landscape and Local Nature Recovery schemes and within the context of the creation of a nation-wide Nature Recovery Network.

The government has also launched a consultation into the legally binding, long-term environmental targets the Environment Act requires it to set. There are proposals to set targets to increase species abundance, create and restore new habitats, reduce nutrient pollution from agriculture, reduce the use of public water in England, increase tree canopy and woodland cover from 14.5% to 17.5% of the total land area in England by 2050, reduce waste and increase air quality. Once the government has collated responses to both nature recovery proposals, Defra will publish policy responses that could have significant implications on farming and land management businesses.

Property & Development

Will the government allow more onshore wind farms?

Following Russia's invasion of Ukraine and the escalating concern over European energy security, the UK government is understood to be considering making changes to planning legislation in order to enable a significant expansion in the number of onshore wind farms across the UK. In 2015, planning laws were changed to give local councils and communities more control over whether onshore wind turbines were built in their areas, however Business Secretary Kwasi Kwarteng is in favour of loosening these regulations as the need for more onshore windfarms is being debated within government as a matter of security. This is in order to ensure the UK can reduce its reliance on oil-based energy and meet its domestic energy requirements from a mix of nuclear and renewable sources. According to Department for Business, Energy & Industrial Strategy analysis from 2020, onshore wind and

large scale solar are the cheapest ways of generating renewable energy in the UK, but it expects offshore wind to achieve parity by 2035.

Business & Economy

Scottish agritourism could be worth £250 million by 2030

The Scottish agritourism sector could be worth £250 million by 2030, and support almost 10,000 full-time jobs. There are currently 500 agritourism businesses in Scotland, and the Rural Affairs Secretary, Mairi Gougeon, has set a goal of having 1,000 Scottish farming and crofting enterprises offering an agritourism experience with at least 50% providing a food and drink element by 2030. Farm tours and accommodation are currently the most common offerings from Scottish agritourism businesses.

Funding to boost Scotland's food and drink sector

Twenty-nine Scottish food and drink businesses will benefit from £7.3 million of grant funding to increase production, expand storage facilities and purchase new equipment. The businesses will receive grants that range from £1,047 to £1.4 million each. Their projects include new processing equipment to increase the production of low-calorie dairy products, upgraded vegetable processing facilities and expanded storage capacity. This funding comes amidst calls from NFU Scotland to allow cereals, peas, beans and grass to be grown on Ecological Focus Areas, in order for Scottish farmers to be able to scale up food production as a consequence of geopolitical uncertainty over global food supplies.

Other Rural News

And finally...

Paramedic jet pack trials launch in the Lake District

The Lake District is famous for many things, but it may soon have another string to add to its bows as it is to become home to the world's first trial of paramedic jet-pack trials. Three paramedics from the Great North Air Ambulance Service are being trained to pilot jet suits, which will be used to reach casualties and provide critical assessment and care before a helicopter or ground team arrives. The suits have been invented by Richard Browning, a British inventor and former Royal Marines reservist who has been called the 'closest thing to a real-life Iron Man'.

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