

Food & Farming

Expanded SFI offer unveiled

Defra has expanded the Sustainable Farming Incentive (SFI) offer for 2024. It now has 102 actions, 22 carried over from the 2023 scheme, 57 evolved from Countryside Stewardship mid-tier and 23 new actions. It also doubles management payments for applicants in year one of their agreements.

There is new flexibility to exit Countryside Stewardship (CS) mid-tier schemes early, but the higher-tier CS scheme will continue to be available as part of the new Environmental Land Management offer. An expression of interest process for the 2024 SFI offer is open now, which could give applicants a head start if they are then invited to apply. The scheme is expected to be opened to all land managers from 22 July.

Savills has used the new SFI options to model the financial impact and viability of a transition to regenerative agriculture. The results will be launched at [Cereals](#) in our Food and the Environment Spotlight. Please join us on stand 235 to meet our team, enjoy refreshments and learn more. For more information about the SFI, see our latest Rural Research [briefing note](#) or contact [Georgina Sweeting](#) in our Food & Farming team.

Farming Recovery Fund expanded

More farmers can now access support to help with recovery from the impact of flooding and exceptional wet weather. The Farming Recovery Fund originally opened in April and provides grants between £500 and £25,000 for farmers with land near an eligible river to return their land to its condition before Storm Henk caused flooding. The scheme has now been significantly expanded to cover those who experienced damage due to exceptional rainfall across England. Defra will assess this based on whether or not rainfall was more than 70% higher than normal over the relevant period. The Rural Payments Agency (RPA) will identify eligible farmers and contact them; payments are expected to be made during the summer.

To provide additional support for all farmers in England, the second instalment of this year's delinked payment will be brought forward to assist with cash flow. The first is due from 1 August 2024 and the second will now be paid from September.

Policy

General election 2024 – Rural matters

The earlier than anticipated general election will prove to be one of the most significant events of the year for the rural sector. Yet the trajectory is likely to be similar under all the main parties. It will be a few weeks before manifestos are published; at this stage, our thoughts on the key rural issues are that financial drivers will continue to encourage environmental outcomes and all parties have dialled up their emphasis on food security too. More specifically, policies like Environmental Land Management and the SFI will likely remain, as they are adaptable and the political risk of delivering major reform is too great.

The Renters Reform Bill wasn't passed before Parliament was dissolved, so it will need to be reintroduced by the next government and resume its parliamentary journey. All the main parties back the end of no-fault evictions, but the debates surrounding its current passage suggest adding rent caps could be an objective for some. The election may also force the parties to clarify their policies on EPCs and landlords' obligations to improve properties' energy efficiency after the government kicked its targets into the long grass and Labour rowed back on its Warm Homes Plan.

Capital taxation is always a key concern for farmers and landowners. Changes to rates or reliefs could significantly affect family businesses. In December, the shadow farming minister confirmed that if the party won the general election, it had no plans to change inheritance tax, including agricultural property relief.

Hedgerow regulations now law

New hedgerow management regulations have been introduced in England to replace those lost through the end of cross compliance. The Management of Hedgerows (England) Regulations 2024 require green cover to be established and maintained on a two-metre buffer strip measured from the centre of a hedgerow. They also introduce a hedge-cutting ban from 1 March to 31 August. Defra and the RPA are keen to take an advice-led approach, with stronger action in only the worst cases. The RPA will hold a public consultation on implementing and enforcing these protections.

Export of live animals banned

Legislation banning livestock export for slaughter and fattening has received Royal Assent. The Animal Welfare (Livestock Exports) Act seeks to ensure animals are slaughtered domestically in high-welfare UK slaughterhouses. The Act will make the UK the first country in Europe to ban live animal exports, following in the footsteps of Australia and Brazil, which have committed to ending or phasing out the trade.

Wales: changes to the on-farm slaughter policy

Immediate changes are to be made to the on-farm slaughter policy to reduce the number of cattle slaughtered on-farm in Wales. The Cabinet Secretary for Climate Change and Rural Affairs, Huw Irranca-Davies, accepted all of the recommendations from the inaugural meeting of the Bovine TB Technical Advisory Group. The main reasons cattle are slaughtered on-farm for TB control purposes are either because they are not able to travel on welfare grounds, particularly if in late pregnancy, or as a consequence of medicine withdrawal periods. Farmers can now delay the removal of a cow or heifer in the last 60 days of pregnancy and animals that have given birth in the previous seven days. Equally, there will be limited flexibility to isolate and delay removal if it is within a few days of the end of a medicine withdrawal period.

The Senedd has also approved the mandatory use of CCTV in all slaughterhouses in Wales. Specifically, CCTV cameras are to be installed in all slaughterhouses in areas where live animals are unloaded, kept, handled, stunned, and killed. Requirements to install and operate a CCTV system and keep CCTV footage and information will come into force on 1 June. The regulations will be enforced from 1 December, giving the Food Standards Agency six months to work to ensure compliance.

Environment & Natural Capital

Enforcement of Farming Rules for Water challenged

River Action has lost a judicial review case against the Environment Agency (EA) regarding pollution of the river Wye. In February, the campaign group brought the case arguing that the regulator had failed to stop farmers from releasing unsustainable amounts of fertiliser into the river. It said that by failing to enforce the Farming Rules for Water regulations, the EA had acted unlawfully and failed to protect the Special Area of Conservation. The judgment said having an enforcement policy is likely to amount to good practice, and the regulator will consider and apply its adopted policy unless having scrutinised the case's particular circumstances, there is good reason to depart from it. It was added that the regulator has discretion to exercise with respect to ensuring compliance in each case. Despite losing the case, River Action says the judgment notes the case's role in clarifying the legal obligations of farmers and the EA's duties in enforcing them. River Action has said it is considering whether or not to appeal the judgment.

A core part of the judgment came down to how the court interpreted regulation 4(1)(a)(i) of the 2018 Regulations. This states a land manager must ensure each application of organic manure or manufactured fertiliser to agricultural land must be "planned so that it does not [...] exceed the needs of the soil and crop on that land". The EA and River Action said this should be interpreted as meaning the soil and crop on the land at the time of the application. The NFU's and Defra's interpretation is broader, considering it allows farmers to plan their nutrient applications in the light of soil and crop needs beyond immediate needs, such as over an annual crop cycle or a crop rotation. The judge deemed that the EA and River Action's interpretation was correct. The EA's position has been that it won't prosecute farmers who have complied with Defra's statutory guidance; the case could now affect this.

Carbon budgets and trading

The Prime Minister has repeatedly pointed out the UK delivered greater emissions reductions than were needed under its first, second and third carbon budgets. It is also set to 'overachieve' on the fourth. However, the government has decided not to carry forward these additional emissions reductions after the Climate Change Committee (CCC) advised against it. The CCC cautioned that carrying forward the surplus could jeopardise the

UK's ability to meet its binding targets to cut emissions further by 2030. The CCC's most recent annual progress report to Parliament concluded the nation is already off track to meet 2030 targets.

The UK Emissions Trading Scheme (ETS) Authority has proposed expanding the ETS carbon pricing system to new sectors, including the energy from waste and waste incineration sectors. It also suggests integrating greenhouse gas removals, such as those from woodland creation, into the ETS. This would encourage woodland creation and is likely to be based on an adapted version of the Woodland Carbon Code. Whilst it is potentially significant for the rural sector, the contribution from woodland creation targets is small relative to the overall ETS demand for greenhouse gas removals.

The UK ETS sets a limit on greenhouse gas (GHG) emissions for specific sectors. Those limits decrease over time to motivate companies to lower emissions. The ETS currently applies to the aviation, power, and industry sectors, which are amongst the most carbon-intensive. The energy from waste and waste incineration consultation proposes including that sector from 2028.

England's next National Nature Reserve

England's largest temperate rainforest is to become a new National Nature Reserve. Borrowdale is a 721-hectare National Trust site in Cumbria and holds the dubious honour of being the wettest inhabited place in England. The rainfall at the top of the valley is twice that of the bottom, creating a landscape rich in greenery. The new National Nature Reserve will conserve and restore the ancient oaks, birches, and ferns and support important upland birds such as redstarts, pied flycatchers, tree pipits, and red squirrels. At the same time, the Moccas Park and Gillian's Wood National Nature Reserve in Herefordshire will be expanded to cover an additional 100 hectares. This also follows the declaration of the Bradgate Park and Swithland Wood National Nature Reserve in Leicestershire. These are the latest to be declared in the King's Series of National Nature Reserves.

Property & Development

Agricultural permitted development rights are expanded

The permitted development rights allowing the conversion of farm buildings in England to residential (class Q) and commercial (class R) uses were expanded on 21 May 2024. Class Q now allows more dwellings to be created and a greater total floor space - but the maximum size of individual homes has been cut. The revisions to class R open up new diversification opportunities, and the rules relating to new farm buildings were also amended. For more information, see this [article](#) or contact [Will Price](#).

BNG: Use your ecologists strategically

Natural England's head of biodiversity net gain (BNG) has told local planning authorities (LPA) to use ecologists strategically. Speaking on a panel at the recent UKREiF conference, Nick White said, "If something wouldn't be looked at by an ecologist before, why on earth send it to an ecologist now?" According to a 2022 survey by the Chartered Institute of Ecology and Environmental Management, 26% of LPAs did not have access to ecological expertise. For this reason, Dr White encouraged councils who want to make a success of BNG to triage and avoid sending everything for review by a limited resource.

Business & Economy

Scotland: Tourism tax passes overwhelmingly

The Visitor Levy (Scotland) Act passed by 83 votes to 27. It gives each local authority in Scotland the option of introducing a visitor levy on top of B&B, hotel and holiday let fees. The local authorities of the Highlands, Aberdeen and Edinburgh have previously supported such a scheme. The Highland Council estimates the levy could be worth up to £10 million annually. A similar scheme was introduced in Manchester, charging £1 per room per night, which is estimated to have raised £2.8 million during its first year. Exemptions are included in the Scottish Act for children, young people and disability benefit recipients. The Conservatives opposed the Act, saying the exemption scheme needed to be more robust.

Improving agri-food data sharing

The Food Data Transparency Partnership (FDTP) has published a paper on its work to deliver consistent, accurate and accessible environmental impact data for the agri-food system. It sets out a common approach to communicating the environmental impacts of food through:

- Company-level scope three emissions accounting and reporting
- Product-level environmental impact quantification
- Food and drink eco-labelling.

Its priorities for the next 12 months include supporting farm carbon tool providers to harmonise their underlying methodologies. In response to industry feedback, throughout 2024, the FDTP will increase engagement with the farming sector on how the ambitions in its paper could be realised in a way that recognises, rewards, and respects the sector's efforts in productive and sustainable food production.

There are parallels between the ambitions of the Red Tractor's failed Greener Farms Commitment and the FDTP. So, the recognition that improved engagement with the farming sector is needed will be important for success. Encouragingly, the FDTP also wants to ensure farmers are "appropriately recognised for their efforts and the benefits of better primary data are fairly distributed across the supply chain". It also says their efforts should be reflected in the value of their products.

Other Rural News

And finally... Eagles change migration routes

Checking an online live flight tracker will show a conspicuous absence of activity in the skies above Ukraine. However, the conflict affects more than human flight. The greater spotted eagle, a vulnerable species of raptor, is also taking evasive action. Researchers from the University of East Anglia analysed migration routes taken by 19 greater spotted eagles as they flew through Ukraine to breeding grounds in southern Belarus just weeks after the Russian invasion of Ukraine and compared them with data from previous flights. The eagles travelled an extra 53 miles on average after the invasion; one eagle even added 155 miles to its route. The journey took, on average, 55 hours longer after the conflict started. 90% of eagles stopped in Ukraine before the conflict, yet only 32% did so after the invasion.

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