

Food & Farming

BPS deadline extended

The government has extended the application window for farm payments in England by one month. Applications for the Basic Payment Scheme (BPS), Countryside Stewardship (CS), Environmental Stewardship (ES) and woodland legacy revenue payments must now be submitted by 15 June. The Rural Payments Agency (RPA) has already received a large number of applications but says it will monitor the situation and consider if further measures are needed to support farmers. The deadline for CS Mid Tier applications remains 31 July. Bridging payments have also been announced for farmers who are waiting for 2019 CS and ES payments; they will receive 75% of their estimated claim value during May.

AHDB to be made more accountable

Following a consultation on the future of the AHDB, the government has announced a number of changes which will see the organisation increase its focus on market development and improving farm performance. Accountability will also be increased. A five yearly ballot will allow levy payers to vote on whether a planned five-year programme of activity is appropriate for their sector and to confirm continued support for the levy being charged.

The consultation received 901 responses, 78% of which were from farmers, producers or growers. The [summary of views](#) reveals the majority (43%) had a positive opinion of the AHDB itself but over a third (36%) had a negative opinion. Views of the AHDB were less positive within the dairy and potato sector, two areas of agriculture which are currently being challenged significantly by the impact of coronavirus on their markets. Close to two-thirds (64%) of respondents agreed that the AHDB should continue to operate a statutory levy, and there was limited support for alternative funding mechanisms such as a voluntary system (22% support) or the AHDB charging for services (33% support). While most were content with the use of a statutory levy, the horticulture sector in particular was dissatisfied that it is calculated based on turnover. Overall the government concluded that there is “a strong case for some form of statutory levy to support collective endeavour in areas such as market access, research and development, technical advice and knowledge exchange”.

Groceries Code Adjudicator reappointed

Christine Tacon CBE has been reappointed as the Groceries Code Adjudicator for up to six months to provide continuity and reassurance to the groceries sector through the Covid-19 outbreak. The Groceries Code Adjudicator enforces compliance with the Groceries Code, designed to ensure a level playing field across the UK's largest supermarkets and their suppliers. During the ongoing pandemic, the government has relaxed competition rules so supermarkets, their suppliers and logistics services can work together.

COVID-19

Savills Webinar: The Rural Sector and the Impact of Covid-19

What does Covid-19 mean for the UK rural sector? Join us on Thursday 14th May to hear Rupert Clark (Head of Estate Management), Andrew Wraith (Head of Food & Farming) and Alex Lawson (Head of National Farms & Estates) discuss how the global lockdown is affecting the sector from supply chains to commodity prices and asset values, and what outcomes to expect in the future.

For the Q & A session our speakers will be joined by Emily Norton (Head of Rural Research), Nick Green (Head of Energy) and Gerald Fitzgerald (Head of Rural Portfolio Valuations) to answer your questions. The webinar will start at 10am, click here to [register](#).

Bounce back loans for small businesses

To provide rapid access to funding the [Business Bounce Back Loan](#) scheme has launched in England. Via a simple online form businesses can apply to borrow between £2,000 and £50,000. During the first 12 months loans will be interest free and there will be no repayments. The government is providing lenders with a 100% guarantee for the loan and will pay any fees and interest for the first 12 months.

In Scotland a [Tourism & Hospitality Enterprises Hardship Fund](#) has also been announced to support creative, tourism and hospitality companies that are not eligible for business rates relief. Companies with up to 50 employees will have rapid access to £3,000 hardship grants, whilst larger grants of up to £25,000 are available for those that can demonstrate a requirement for additional support. Applications are being managed by the Enterprise Agencies in partnership with Creative Scotland and VisitScotland. Our updated [Coronavirus Economic Reliefs guidance note](#) provides a summary of all of the support available.

Supporting agricultural markets

To support the dairy industry the RPA has opened intervention storage for skimmed milk powder (SMP) and butter. Intervention supports market prices by offering a guaranteed base price and removing surplus product from the market and putting it into storage. Intervention for buying SMP and butter is currently available until 30 September. It is understood that discussions within Defra are ongoing regarding whether a hardship fund should be launched to support the dairy farmers who have been impacted most by the collapse in demand from the food service market.

The impact of Covid-19 on shoots

We surveyed 60 participants from our Game and Conservation Benchmarking survey between the 8th and 17th of April to investigate what impact the Covid-19 pandemic was having on their plans for the 2020/21 shooting season. Nearly half of the shoots (47%) were not altering their release plans due to Covid-19, whilst 42% plan to release fewer birds and 12% of the shoots are no longer planning to release any birds for the season. Smaller shoots were most likely to be no longer planning to release any birds, whilst medium shoots (which usually release 3,000-10,000 birds) were most likely to be planning to release less. For those with let days available, enquiries have decreased by an average of 41%. Many of the shoots (47%) report that some guns or teams have not yet paid their deposits. 36% of shoots report that some guns or teams have cancelled. There are fewer cancellations on small shoots which is likely to reflect the fact that they have fewer let days and smaller bags so the financial commitment is smaller.

The British Association for Shooting and Conservation (BASC) has called for shooting to be included in Covid-19 planning and has offered to work with the government to consider when restrictions on outdoor recreations will be lifted. The organisation was recently critical of the Scottish Government for excluding field sports from its business rates relief and grant support measures for the leisure industry. The Cabinet Secretary for the Rural Economy and Tourism has assured the sector that the omission was unintentional and that sporting tourism businesses are eligible for the new Tourism & Hospitality Enterprises Hardship Fund.

Social distancing regulations strengthened

Social distancing regulations in Scotland have been reviewed and strengthened by the Scottish Government. All businesses that remain open must comply with the two metre distancing rules. It also specifically confirmed that livestock markets can continue to operate, while holiday accommodation businesses can manage online and telephone services for bookings related to future dates. Businesses that do not take measures to enforce the new rules are liable to prosecution.

Spreading slurry or milk

The Environment Agency has introduced a [regulatory position statement](#) (RPS) which relaxes the usual regulatory requirements for landspreading slurry or milk, or storing slurry in circumstances where they cannot be complied with as a result of coronavirus restrictions. Farmers must notify the Environment Agency by email and get written approval before they can use the RPS. It will be withdrawn on 30 September 2020.

Policy

Defra remains committed to 2021 agricultural transition

In a letter to the Environment, Food and Rural Affairs committee Defra has confirmed that it remains committed to developing new policies and schemes for English agriculture. Its plan remains to introduce a system in 2021 that rewards farmers for delivering goods valued by the public, whilst producing healthy sustainable food. The CLA has written to rural MPs asking them to put pressure on the UK government to delay this transition away from direct payments. It is seeking a delay of at least 12 months due to the unprecedented disruption caused by Covid-19. The organisation is also lobbying for the introduction of a Business Adaptation Programme that would provide funding for advice, equipment and infrastructure to support profitable farming objectives.

Brexit talks make disappointing progress

The EU's Chief Brexit Negotiator, Michel Barnier has said that there has been a "disappointing" amount of progress made between the UK and EU in post Brexit talks. He warned that "genuine progress" was needed by June if there was to be an agreement reached on the UK/EU future relationship by the end of the year. Under the Withdrawal

Agreement, the transition period can be extended by up to two years if both sides agree by 1 July 2020. The UK Government remains adamant that there will be no extension. The Scottish Government is lobbying Westminster to agree an extension. Constitution Secretary Michael Russell has warned “the Scottish economy cannot afford the double hit of Covid-19 and the growing likelihood of a ‘no deal’”. He also said “the UK Government is pressing ahead with negotiations without properly involving the Scottish Government, or taking account of our views”.

Environment & Natural Capital

Flood defence funding overhauled

From April 2021 a new method will be used to allocate funding for flood and coastal defences across England. It will bring wider environmental and social benefits into consideration. Changes include:

- Updated payments to account for inflation and the overall societal impacts of flooding
- Increased payments for schemes which also create environmental benefits
- Funding for schemes which protect homes at risk of flooding in the future due to climate change
- A new risk category to increase funding for schemes that prevent surface water flooding.

Overall more schemes should qualify for increased government funding.

New protections for trees

New national measures have come into effect to safeguard the forestry and horticultural industries. It is hoped the measures will protect the UK from diseases and pests such as:

- Xylella; the import of Coffea and Polygala myrtifolia species is now prohibited
- Emerald ash borer; stronger import controls to countries within 100km of confirmed outbreak areas
- Plane tree wilt; more stringent ‘Protected Zone’ requirements for the UK including measures for plane trees.

The Government said it has considered the timing of the new regulations but concluded that it is important to proceed and protect the UK’s biosecurity.

Biodiversity at risk due to coronavirus

The Wildlife Trusts has warned that biodiversity is at risk due to coronavirus as reserves cannot be managed and control programmes for invasive non-native species such as Himalayan balsam cannot be completed. Whilst much of the work is possible within social distancing guidelines, furloughed staff, reduced fundraising income and paused volunteering programmes mean less is possible.

Property & Development

Spotlight on the forestry market

Last year 14,400 hectares of commercial forestry and woodland were sold in the UK with a market value of just over £121 million. There was clear evidence of new buyers entering the marketplace attracted by the recent performance of the asset class, a desire for portfolio diversification and importantly drawn to the environmental benefits of forestry. The UK government’s pledge for net zero carbon emissions has increased the focus on the forestry sector and is likely to drive the shift towards increased demand for tree planting and more sustainable timber-based construction methods. Find out more in our latest [Spotlight on The Forestry Market](#) which also covers our thoughts on the impact of Covid-19 on the market.

Right to Rent scheme is lawful

The Court of Appeal has ruled that England’s Right to Rent Scheme is lawful as it has a legitimate policy purpose and is not in breach of human rights law. It was introduced in 2016 and requires landlords and lettings agents to take reasonable steps to ensure they are renting to a tenant who has the right to do so.

Time extension to planning permissions

The Law Society and the City of London Law Society have suggested a number of measures to prevent planning permissions expiring whilst Covid-19 restricts development work in England. The measures include amending primary legislation to extend the time limit on planning permissions and providing a new class of permitted development to allow development to be undertaken within six (or more) months of the expiry of a planning permission. They also suggested issuing guidance to remind local planning authorities they have the discretion to extend the default three-year period and that an extension of the time limit imposed on a permission by way of a condition may be considered to be non-material. Pressure on parliamentary time could mean amending primary legislation is challenging, but the organisations warn that the expiry of permissions is a “real concern” for developers requires an “urgent fix”. Scotland has already extended its affected planning permissions by six months.

Other Rural News

And finally...

Stranded tourists help out

When Hannah Brady and Patrick Scott ventured across the Atlantic for their holidays, they probably did not expect to be feeding pigs and collecting chicken eggs. While the US tourists had planned to stay at Huntstile Organic Farm for three weeks, they did not plan on the advent of lockdown. The farm and B&B in Goathurst was forced to close but some guests extended their stay and have since been helping out around the farm. Far from being downhearted, Ms Brady said "it is more beautiful than I could have imagined" and added "I feel like I'm stepping on to a movie scene". Farm owner Lizzie Myers said "it wasn't something we were anticipating but then everybody's in the same boat. They're all helping us out on the farm".

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