

Food & Farming

Food companies at the cutting edge of carbon

Arla has revealed the results achieved during the first year of its Climate Check programme. The programme is a third-party audited database aimed at speeding up carbon emissions reductions across Arla's supply chain. The data, sourced from 8,131 farms across seven European countries, represents 95% of Arla's milk pool. After the first year, the programme found that Arla's farmers emitted 1.15kg of CO₂/kg raw milk, which is less than 50% of the global average dairy farm's emissions (2.5kg CO₂/kg). These results have helped identify how emissions can be tackled in the dairy sector. Areas for improvement include better feed efficiency, more precise portioning to reduce surplus protein in feed, improved animal welfare practices and better fertiliser and land use management in feed production. Arla Foods UK says that the data will also help to re-educate the public about the domestic dairy industry, as previously an absence of UK data has meant reliance on global dairy statistics that were not representative of sustainable European and UK dairy production.

Birds Eye owner Nomad Foods has also reported carbon emission cuts in 2020. Despite increased demand for its products during the Covid-19 pandemic, the company reduced its absolute carbon emissions by almost 11%. According to its latest annual Eating for the Planet report, Nomad Foods managed to lower its carbon emissions per tonne of finished goods by 21% against a 2019 baseline. On average last year, the company emitted 484.7 kg of CO₂e per tonne of finished goods. The emission reductions are due to better waste management, increasing the use of renewable energy and production efficiencies. Food companies are increasingly putting pressure on their supply chains to tackle emissions and it seems that many results so far are positive.

Government criticised over public procurement of food

The Environment, Food and Rural Affairs Committee says that the government has not used the policy lever of public procurement as effectively as it could have done in driving its agenda on food production standards, animal welfare, sustainability and support for domestic producers. In its report on public sector procurement of food, the committee also commented that Defra's 2014 Plan for Public Procurement was commendably ambitious but was not delivered, and food procurement standards have been poorly monitored and enforced. In its view the Government Buying Standards for Food and Catering (GBSF) should be compulsory across the public sector in England. The report is critical of the government for not making enough effort to support public sector market access for domestic suppliers and suggests that the government should set out a plan to update the GBSF in its White Paper response to the National Food Strategy expected in July 2021.

PepsiCo goes regenerative

Earlier this month, PepsiCo launched its Positive Agriculture initiative, with a goal to sustainably source 100% of its key ingredients, and to spread regenerative practices across seven million acres, the size of its entire agricultural footprint. These efforts should eliminate three million tonnes of greenhouse gas emissions, whilst also improving the livelihoods of 250,000 people. Some of PepsiCo's brands have already started implementing the Positive Agriculture approach, for example, PepsiCo's Walkers brand has worked with CCm Technologies to introduce new 'circular potatoes' technology, which uses potato waste to manufacture low carbon fertiliser.

Oilseed rape prices on the rise

According to Mintec, rapeseed oil at Rotterdam was priced at £909.56/tonne on 7 April 2021, almost 35% higher than last year and an increase of 18% since the start of 2021. Prices have jumped to their highest in more than 30 years. Production of oilseed rape was curtailed in the EU and UK due to the neonicotinoids ban, meaning Canada and Ukraine have increasingly become key producers. However, both countries have experienced poor weather which has led to reduced yields. Rapeseed oil is a key ingredient for many products such as spreads and mayonnaise, but according to the AHDB, domestic oilseed rape production has seen a 18-26% drop in yield against the UK's five year average. Overall just over one million tonnes were produced in 2020, which is about half of the UK's typical annual consumption. There is hope that today's high commodity prices for rapeseed will encourage more farmers back into growing the important break crop.

Policy

Slow Treasury progress on climate-related taxation condemned

The UK government has accepted the advice of its independent Climate Change Committee (CCC) to commit to cutting emissions by 78% by 2035 (compared to 1990 levels). For the first time, in the UK's sixth carbon budget, this commitment will be extended to cover international aviation and shipping. The prime minister's commitments bring forward the current target for reducing emissions by 15 years. In order to reach this target, the CCC says that low-carbon investment must scale by up to £50 billion a year in the UK, and that the 2020s must be the decisive decade of progress and action. However, the Public Accounts Committee (PAC) recently released a report condemning HM Treasury's slow progress on environmental and climate-related taxation. The report from the PAC promotes taxation as an important tool in reaching net zero emissions, but flags inconsistencies between the government's ambitious environmental targets and how HM Treasury understands its role in meeting these targets. The report recommends that from the next Budget, HM Treasury should assess the environmental impact of every tax change considered. Cross-departmental action will be critical if the UK government realistically wants to achieve its bold climate commitments, otherwise they risk becoming 'hot air'.

The rural sector sparks party politics

Labour has launched a review into England's rural policy, outlining its plan to become 'the party of the great British countryside'. Luke Pollard, Shadow Secretary of State for the Environment, Food and Rural Affairs, believes that the withdrawal of the Basic Payment Scheme by the government is 'extraordinary' and is concerned that the proposed farm payment reform will lead the industry towards a 'cliff edge'. The Labour party has launched its Rural England Policy Review to seek evidence on every aspect of rural life, with an [online form](#) for responses open to everyone until 28 June. Labour is seeking a 'new relationship' with British farming and rural communities, wanting to ensure the party's next manifesto is as relevant and promising for rural communities as for those living in urban areas.

The Liberal Democrat party is also speaking out against the government's handling of rural affairs. Last week, Tim Farron, spokesperson on Environment, Food and Rural Affairs, introduced a Bill that would create a new independent regulator with the power to force the government to meet its environmental and climate targets and protect Britain's food and farming standards in future trade deals. The Bill is aimed at supporting and protecting farmers rather than 'leaving them in the lurch'. Mr Farron said the Liberal Democrat's proposed regulator would have 'real teeth to hold the government to account'. As the Bill was introduced by an opposition party it is unlikely to be allocated sufficient parliamentary time to become law.

Environment & Natural Capital

Funding for peatland restoration launches

The government has launched a Nature for Climate Peatland Grant Scheme, which provides funding to restore peatlands in the uplands and lowlands of England. This competitive grant scheme will run until 2025 and aims to begin restoring 35,000 hectares of degraded peat by 2025. A restoration grant will normally fund up to 75% of a project's costs. If you would like to discuss an application please contact [Henry Barringer](#), the deadline for the first round is 25 June 2021.

Restoring peatland is a complex topic. Natural England recently calculated that the deep peat soils of fens and raised bogs hold eight times as much carbon as the equivalent area of tropical rainforest. A new study in the journal Nature found that raising water levels in agricultural peatlands significantly cuts greenhouse gas emissions. The study estimates that halving the drainage depths across global croplands and grassland on peat (250,000km² globally) could cut emissions by around 500 million tonnes of CO₂ each year, equating to 1% of all global emissions caused by human activities.

Savills launches flagship Spotlight on the Forestry Market

The annual Forestry Market report from Savills rural research focuses on the UK market size and value for commercial forestry and woodland, and this year highlights the continued interest in woodland carbon offsetting. The report found that forestry investments are rising in value - during 2020, 20,372 hectares of commercial forestry and woodland were sold in the UK with a market value of just over £205.5 million. The traditional market drivers of capital asset appreciation and rising timber prices have not changed, but evolving policy and action around the sustainability agenda has shone a light on forestry as not only a financial investment, but also an environmental one. The report discusses the growing appreciation for forestry as a multi-functional asset, with multiple ecosystem services flowing from it, whether it be timber, carbon, flood prevention or public access. The research concluded that if the forestry sector is to grow and tree planting targets are to be met, the industry requires substantial upscaling. Unfortunately, trees don't grow overnight. To learn more, please see the [research spotlight](#). If you would like to discuss forestry investment please contact [James Adamson](#).

Greater protection for sweet chestnut trees

Approval has been given for the release of a biological control agent to reduce the spread of the Oriental Chestnut Gall wasp. This pest was first found in England in 2015 and causes galls on the buds and leaves of sweet chestnut which damages the trees and can make them more vulnerable to other pests and diseases including Sweet Chestnut Blight. The UK's Chief Plant Health Officer has therefore approved the release of a parasitoid wasp called *Torymus sinensis*, which will kill the Oriental Chestnut Gall wasp. *Torymus sinensis* is already present naturally in England but in very low numbers, so the releases will build the population up to a level at which it can effectively control Oriental Chestnut Gall wasps. This method of biological control has been successful in countries across Europe.

Property & Development

The opportunity of gas-to-grid Anaerobic Digestion

Our latest Spotlight on Anaerobic Digestion looks at the gas-to-grid anaerobic digestion market. The Green Gas Support Scheme (GGSS) will provide a new route to market for these gas-to-grid anaerobic digestion plants by subsidising biomethane production over a 15 year period. This is reminiscent of the approach pursued by the now-closed Non-Domestic Renewable Heat Incentive. Findings from the Spotlight include:

- Significant regional variation in feedstock composition and tonnage across the country
- Green gas commands a significant market premium over fossil fuel based gas
- Ramping up of plants to maximum output takes years, not months
- Non-compliance can lead to lower prices in AD plant transactions.

If you would like to discuss renewable energy projects please contact [Henry Grant](#).

Alarm over development threat in AONBs

New analysis by the CPRE has found that local authorities are increasingly planning major developments in AONBs due to government pressure to increase housing numbers. Every year since 2017/18 the CPRE has recorded an average of 1,670 housing units approved in AONBs, which represents an annual loss of 119 hectares of 'protected' landscape. This constitutes a 27% increase on the previous five year period (from 2012 – 2017). However, the charity has also highlighted that only 16% of these developments are classed as affordable, meaning much of the new planning being approved is executive-style housing. The CPRE is asking local authorities to encourage smaller, community led schemes which are able to provide affordable and sociable homes for local people.

Business & Economy

New rules to wipe out rural mobile 'not spots'

The government is proposing law changes to boost efforts to improve connectivity for people who live, work and travel in rural areas. Under the new proposals, mobile companies will be allowed to make new and existing masts up to five metres taller and two metres wider than current rules permit, increasing their range. The government says this will turbocharge the delivery of the £1 billion Shared Rural Network to eliminate 4G mobile 'not spots' in the countryside and will also speed up rollout of next generation 5G networks. Stricter rules will apply in protected areas, including national parks, conservation areas, AONBs and world heritage sites.

Farming gets a boost from royal visits

The rural sector and farming has been in the spotlight in the past fortnight with a royal visit to a family farm in Durham and a visit from the Prime Minister to tenant farmers in Derbyshire. The Duke and Duchess of Cambridge visited Manor Farm near Darlington where they discussed sustainable farming, climate change and mental health. Prince William and Catherine were taken on a tour of the calving and lambing sheds, and each had the chance to drive a GPS-controlled tractor. Meanwhile, Prime Minister Boris Johnson visited tenant livestock farmers Stuart and Leanne Fairfax in the Peak District National Park in Derbyshire, alongside NFU President Minette Batters. Ms Batters said "it's important that the Prime Minister got to see for himself just how British farmers are delivering for the nation and leading the way in our standards of animal welfare and environmental protection".

Global Farm Metric launched

The Sustainable Food Trust has launched a [Global Farm Metric](#) – an internationally recognised framework for measuring the sustainability of farms. The metric is being led by a coalition of farming organisations, NGOs, leading UK retailers and investors, and is seeking to provide farms with a way to measure their sustainability credentials and empower farmers to play their part in driving the transition to a more sustainable global food system. The metric was introduced at an online event on 29 April, with speeches from HRH the Prince of Wales, NFU President Minette

Batters, lead of the National Food Strategy Henry Dimbleby, Morrisons CEO David Potts and Patrick Holden, CEO of the Sustainable Food Trust. The concept and its delivery was endorsed by all as a key driver for global change across supply chains and farming systems.

Other Rural News

And finally...

Cream tea faux pas

Sainsbury's had to issue an apology to its customers after outraged shoppers in Cornwall complained about an in-store advert for scones in the bakery section of the Truro branch. The scones, prepared as a cream tea, had a layer of cream on first, before the jam. Cream first is traditional in Devon, but in Cornwall, if it's not jam first, it's not a cream tea.

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

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