

Food & Farming

NFU and Drax Group partner to increase energy crop production

The NFU has announced a new partnership with Drax Group, a renewable energy firm, to support energy crop production in the UK. Together they plan to produce a roadmap for increasing the market for perennial energy crops and their sustainable use. Their partnership will support Drax's ambition to commercially introduce 'bioenergy with carbon capture and storage' technology, known as BECCS, which is a negative emissions technology currently being piloted at its power station in Yorkshire. Its power station near Selby is the UK's largest single site renewable energy generator. Drax currently imports the biomass that it uses from America but wishes to source some of its future sustainable biomass needs from domestically grown energy crops, to reduce its supply chain emissions and stimulate innovation in British farming.

Earlier this year, the government announced £4 million of funding to increase British biomass production through the Biomass Feedstocks Innovation Programme. The NFU see energy crops as an opportunity for British farmers to diversify and as part of the work with Drax, will seek to identify opportunities that may include utilising marginal land that is not used for food production. The initiative also supports the NFU's ambition for British agriculture to achieve net zero emissions by 2040.

BSE confirmed in a dead cow on a farm in Somerset

Bovine spongiform encephalopathy (BSE) has been identified in a dead cow on a Somerset farm. Movement restrictions have been put in place whilst investigators identify the origin of the disease, which was last confirmed in Scotland in 2018. The BSE outbreak affected approximately 180,000 cattle in the UK between 1986 and 2001, with 4.4 million cattle destroyed, however, there have only been five recorded cases since 2014. Most experts believe BSE, also known as "mad cow disease", was caused by the historic practice of feeding cattle feed made with meat and bone meal.

The disease was detected in the fallen stock as part of routine testing for transmissible spongiform encephalopathies. The UK's overall risk status for BSE remains the same and the UK's chief veterinary officer reassured the public that there is no risk to food safety or public health, as the human form of the disease has been linked to eating contaminated meat. It has also been confirmed that this one case will not affect the UK's access to export markets.

Policy

Wales announces timeline for BPS replacement

The Welsh Rural Affairs Minister has outlined the steps that it will take to introduce the Sustainable Farming Scheme which will be the farm support system that replaces the Basic Payment Scheme (BPS). It will reward farmers who take action to respond to climate change and reverse the decline of biodiversity.

More than 2,000 farmers and stakeholders have already been involved in co-designing the new scheme, the next phase of co-design will take place in summer 2022. An outline of the Sustainable Farming Scheme will be published next year, including details of any actions farmers will need to take. There will be a final consultation on the scheme design detail and transition plan in spring 2023, then the scheme will launch in January 2025. It is the Welsh government's intention that the BPS will remain in place until 2023, but is unable to confirm the value of payments at this stage as the budget needs to be agreed with Defra. At this stage it is also unclear what support will be available in 2024, although the Welsh government has promised that there will not be a cliff edge. It has faced criticism for not providing the clarity Welsh farmers need to make business decisions, although it announced last week £66 million of funding to extend Glastir Advanced, Commons and Organic contracts until December 2023. Over 1.3 million hectares of Welsh farmland is under a Glastir contract so the extension provides some relief to farmers and continues to ensure priority sites in Wales are managed to achieve positive environmental outcomes. For more information view our [briefing note](#) on the Welsh transition plans.

Government plans to clear the path for genetic technologies

No longer bound by EU regulations, the government has announced it is set to “capitalise on the freedoms from Brexit” by reforming the regulations around gene editing. Its response to the public consultation, which ran between January and March this year, replies to the issues raised as well as providing details of forthcoming regulatory changes. These will include unlocking research and development in plants by making it easier for scientists to develop knowledge on gene editing, whilst Defra retains a monitoring role. The regulatory definition of ‘genetically modified organism’ will also be reviewed to exclude certain organisms produced by gene editing and other genetic technologies that could have been developed by traditional breeding techniques. This could lead to gene edited products being brought to the market.

After considering the scientific evidence, the Advisory Committee on Releases to the Environment (ACRE) has advised that an organism produced by gene editing does not pose an increased safety risk compared to current traditional breeding techniques, which would take far longer to introduce the same beneficial changes. By supporting gene technology, the government hopes farmers can grow more nutritious, more resilient plants which are less reliant on inputs, to help address food security and support commitments made in the 25 Year Environment Plan.

Welsh agricultural tenancy reform

Following a consultation in 2019 on a range of options to reform agricultural tenancy law, the Welsh government has now published its [policy response](#). The proposals aimed to remove potential barriers preventing tenants and landlords adapting to change, improving productivity, enabling structural change and accessing future sustainable land management schemes.

Its policy response broadly mirrors the decisions made in England. Indeed the Agriculture Act 2020 has already given Welsh ministers powers to enact some of the changes such as removing the Commercial Unit Test in the Agricultural Holdings Act 1986 legislation (AHA) and enabling AHA tenants to refer certain requests for landlord’s consent or a variation of tenancy terms to dispute resolution. The responses to the consultation also informed the development of the Agriculture (Wales) White Paper and discussions with stakeholders will continue regarding proposals that are not being taken forward at this stage.

Environment & Natural Capital

Scottish parliament approves £500 million nature investment

As part of the Scottish government’s net zero ambitions, the Scottish parliament passed a motion to support the natural economy with £500 million of investment, as well as setting species protection targets. Of the £500 million to be invested in the natural economy, £22 million will be used to restore degraded peatlands in this financial year, and £100 million will be used to increase forestry planting. In addition, £30 million will be available for expanding Scotland’s natural forests and land, and £20 million will go towards increasing tree nursery stocks.

Green projects across the UK look set to benefit from funding from the first ever Green Gilt

Ahead of COP26, the UK sought to demonstrate its commitment to tackling environmental challenges by launching the Green Gilt. £10 billion was raised from the sale of the Gilt, making it the largest inaugural green issuance by any sovereign, with the largest ever order book for a sovereign transaction. It will be followed by a second issuance later this year, overall a minimum of £15 billion is expected to be raised.

The UK’s inaugural Green Gilt is a 12 year bond, it will fund projects such as offshore wind and schemes to decarbonise homes. The Chancellor of the Exchequer, Rishi Sunak, said “this funding will be used to finance vital green government projects across the country, including things like clean transportation, renewable energy and preserving our natural environment. In helping us to build back better and greener, it will also help to create jobs as we transition to net zero”.

The Green Gilt will be followed by the world’s first standalone retail Green Savings Bond, issued by NS&I. This will allow savers to invest in climate saving projects too. The UK will report on the social co-benefits of expenditures financed by the Green Gilt and retail Green Savings Bonds, such as job creation, access to affordable infrastructure and socioeconomic advancement.

Tax switch to promote electricity use over gas

As part of the government’s net zero ambitions it is believed to be considering moving tax away from electricity bills to gas bills, in an effort to support those using electricity to heat their homes and charge their cars whilst penalising those using gas boilers. Gas is heavily relied upon to heat homes and businesses, heating accounts for approximately 20% of the UK’s greenhouse gas emissions. It is understood that the switch would be phased so that

combined energy bills will not increase for the consumer, but at a time when households are seeing sharp increases in bills resulting from low gas supplies, the announcement is potentially controversial.

The Savills Spotlight on the [Rural Homes Energy Challenge](#) found that a larger proportion of homes in rural settings are reliant on alternative fuels or electricity for heating because they are off the gas grid. This proposed shift may benefit these rural households by reducing their electricity bills.

Property & Development

Cabinet shake-up results in planning reform pause

Following Boris Johnson's cabinet reshuffle, Michael Gove has been given the role of housing secretary and has decided to review the controversial planning reforms which were put together under his predecessor, Robert Jenrick. The reforms were intended to accelerate the building of at least 300,000 new homes a year by asking local planning authorities to designate land in to one of three 'zones': protected, renewal or growth. In growth zones, outline approval for development would be automatically secured for forms and types of development specified in the Local Plan.

The reforms have been put on hold until Michael Gove has addressed MPs concerns. In a Commons debate last year, Theresa May argued the plan would "build up planning permissions, but not houses". Last year, Michael Gove attended a planning inquiry in a 'personal capacity', siding with residents against a developer who was seeking consent to develop approximately 50 homes in Surrey, where Mr Gove is MP, which has raised concerns that the pause could lead to a rethink of the reforms. With Gove's reputation as a radical reformer, the industry awaits to see whether the reforms will be reshaped and whether the Conservative Party line of 'build, build, build' remains intact.

Business & Economy

CO₂ crisis piles more pressure on farmers

As a result of rising wholesale gas prices, two of CF Fertiliser's factories were temporarily closed with consequences felt across the supply chain. The production of UK food-grade carbon dioxide fell by 60% last week, whilst the price for ammonium nitrate was up by approximately 50% on last year's market level. Carbon dioxide, which is a by-product of fertiliser production, is required for pig and poultry culling and is extensively used in packaging and refrigeration. With both these sectors being impacted by the labour shortage too, this latest issue is increasing backlogs of finished animals on farms, giving rise to concerns about animal welfare and feed costs. There are an estimated 95,000 pigs yet to be culled and a growing risk that these animals will fall out of specification. The chief executive of the Food and Drink Federation estimated that the CO₂ shortage would affect the availability of some products on supermarket shelves within 10 days.

In response the government agreed a deal to temporarily subsidise CF Fertiliser, for an undisclosed amount. Whilst this resolves the CO₂ issue for the time being, the crisis highlights that despite similar CO₂ supply issues in 2018 the supply chain remains very sensitive to shocks.

Grant for Scottish tenants in rent arrears

The Scottish government has given local authorities a one-off allocation of funds worth £10 million to support private and social rented tenants who have accrued rent arrears as a direct result of the Covid-19 pandemic. There will be no application process for a tenant or landlord, instead local authorities will use their discretion to determine whether an individual is eligible given their personal circumstances. This is part of a package of measures available to local authorities, such as the £10 million Tenant Hardship Loan Fund.

Other Rural News

National Grid build world's first T-pylon in Somerset

Somerset is now home to the world's first T-pylon, a design selected from over 250 when the Royal Institute of British Architects and the then Department of Energy and Climate Change ran an international competition back in 2011. It will be one of 116 T-pylons along a 57km route, connecting low carbon energy to 6 million UK homes and businesses. They are approximately a third shorter than traditional lattice pylons and with a single pole, have a smaller footprint too. The project forms part of a range of technologies the National Grid will use to mitigate the impact of electricity infrastructure on the environment.

And finally...

Norfolk airfield opens the UK's first aircraft charging point

An airfield in the south of Norfolk has become the UK's first, and only, to include an electric charging point for aircraft. The project, which aims to promote zero emission aviation, has installed one charging point for the Zenith CH 750 Skyjeep, and is applying for permission to install six more. The charger uses renewable energy from solar panels on the hangar roof.

The Zenith CH 750 Skyjeep is powered entirely by an electric motor and will take its maiden flight later this year. The project has been launched by a partnership between Nuncats, a sustainable transport company, and Old Buckenham Airfield. Nuncats founder Tim Bridge said, "we look forward to demonstrating what impact off-grid electric light aircraft can have for rural communities".

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