

Food & Farming

Butcher shortages puts pig farmers in further crisis

Due to labour shortages, every week, 30% of the finished pigs in the UK that are contracted to processors are not going into the food supply chain. The National Pig Association (NPA) and the NFU have warned that consequently as many as 170,000 pigs are backlogged on farms. In response some farms are being forced to cull healthy animals due to a lack of available space. The NPA say that 30,000 sows have been culled over the past six months, which is equivalent to 10% of the English breeding herd. Rising feed costs and falling pig prices have resulted in pig producers losing approximately £25 per pig for almost a year. In terms of the labour shortages, the NPA is aware of only 105 butchers that have used the seasonal visa scheme and there has been no take up of the Slaughter Incentive Payment Scheme. There is concern that if more effective support is not provided to the pig sector and supply chain, there will be a mass exodus from the industry over the next 12 months. Forty independent farms have already left the industry.

Supermarkets and suppliers battle over inflation

Supermarkets have been reprimanded by the Groceries Code Adjudicator for unfairly fending off requests for cost price inflation from suppliers. It has been reported that retailers have been deploying tactics to resist accommodating the impact of inflation on suppliers and producers. In response, the Groceries Code Adjudicator, Mark White, has published a new set of 'golden rules' for retailers and has urged suppliers to come forward with requests. Within the rules, he has said there should be no automatic delists or fixed delist notice periods following cost price inflation negotiations, and retailers should never ask suppliers about other retailers' plans or prices and that there should be clear communication of the outcome of negotiations.

SFI pilot payment rates increased

Following its review of Countryside Stewardship revenue payment rates, Defra has also reviewed the payment rates for the Sustainable Farming Incentive (SFI) pilot standards. On average headline rates have increased by 10.8%, although some, including all ambition levels of the arable and horticultural soils standard, remain unchanged. The largest increase can be found for the intermediate level of the low and no input grassland standard, where the payment rate has increased by 28% from £89 per hectare to £114 per hectare.

Policy

Tenant farmers given a place at the policy making table

An independent review has been launched, dedicated to looking at how tenant farmers and tenancies can be better supported as the new English agricultural support policies come into play. The Tenancy Working Group will be chaired by Baroness Kate Rock and report later this year. The objectives of the group include providing independent advice to Defra on how it can facilitate the participation of and benefits to tenant farmers through Environmental Land Management (ELM) schemes, how Defra can support positive and long-term relationships between tenants and landlords, and what new legislative or regulatory powers may be required to ensure a resilient tenant sector.

UK agricultural partnership launched to tackle farming issues

A new UK Agriculture Partnership has been launched by the government to bring together stakeholders from across the UK to identify and improve collaborative working on issues currently facing the agricultural sector. The range of topics that will be addressed include on-farm water usage optimisation, the role of science and agri-tech in supporting food production, finding solutions to reduce pollution and ways to reduce carbon emissions from agriculture. The first meeting of the partnership took place at the end of January 2022 at the Royal Agricultural University and focused on water quality. It is intended that the partnership provides a platform for academics, experts, industry players and farming stakeholders to share scientific knowledge and best practice, in order to identify innovative solutions to enduring problems.

Environment & Natural Capital

Landscape Recovery scheme open for applications

The Landscape Recovery (LR) scheme is the most environmentally ambitious of the future Environmental Land Management (ELM) schemes and is now open for its first round of pilot project applications. LR will provide funding for landowners and land managers who want to take a more radical and large-scale approach to producing environmental and climate goods on their land. It is open to individuals or groups who wish to deliver large-scale, long term nature recovery projects on areas of 500 – 5,000 hectares. The first round will support projects that focus on two themes – recovering and restoring England’s threatened native species and restoring England’s streams and rivers. For more information on how the pilot scheme will work, and how projects will be paid, please see our [briefing note](#). The window for applications will close on Tuesday 24 May 2022. To discuss the Landscape Recovery scheme further please contact [Hannah Turner](#).

Wet winters proven to increase farm pollution

February 2020 was the wettest February on historical record for the UK and new research has shown that as a consequence of the wet winter, the levels of pollution created by agriculture increased dramatically. The study took place over the upper catchment of Devon’s river Taw, and it demonstrated that during the wet winter, nitrate levels in the river Taw increased by four times from former pasture that had recently been converted to arable land, and the sediment lost from grazed grassland roughly doubled, with nitrate runoff increasing by about 50%. Higher winter rainfall levels are elevating runoff and exacerbating the water pollution problems arising from intensive agriculture. Climate change means that UK winters are likely to get wetter, therefore this research highlights the need for the sector to develop strong on farm pollution mitigation strategies.

Property & Development

Levelling up plans create opportunities and risks for the rural sector

The government has launched its much-anticipated white paper for Levelling Up. Within the paper are proposals that could theoretically channel investment into the rural economy. There is a drive to increase skills and education across the country, with Local Skills Improvement Plans to set out the key changes required to improve technical skills where they are most needed. This could be of substantial benefit to the forestry, nature conservation and meat processing industries. There are proposals to take forward recommendations from Henry Dimbleby’s National Food Strategy, including a school cooking revolution and Community Eatwell programme, which may raise awareness of domestic agricultural produce and local purchasing.

The white paper also announces a series of planned measures to reset the relationship between landlords and tenants in England. A dedicated white paper on this will be published in the spring before a consultation on introducing a legally binding Decent Homes Standard in the Private Rented Sector, exploring a National Landlord Register, and bringing forward measures to end section 21 “no fault evictions”. It is estimated that landlords across England would be required to refit about 800,000 properties that don’t meet requirements to be “safe, warm and in a good state of repair”.

Business & Economy

Environmental land taxes for Scotland?

The Scottish Land Commission (SLC) has released a [report](#) which makes a series of recommendations to ministers for reforming how land is taxed in Scotland in order to support current land reform objectives. It concludes that tax is a potentially significant lever, but the current mix of reserved and devolved powers means the Scottish government is limited in its ability to use tax in support of land policy. It does not propose the introduction of a single land value tax but does recommend all land is brought onto the valuation roll, even if no tax is subsequently due. It also recommends the Scottish government considers the potential role of the Land and Buildings Transaction Tax in relation to shaping the land market in a just transition and, also engages on a UK basis to explore the potential for a more progressive approach to the use of reliefs and exemptions in relation to land that would support diversification of ownership.

In reviewing the emerging implications of the carbon and natural capital value of land, SLC recommends consideration is given to the role of taxation in securing a productive balance of public and private benefit from future carbon values. A measure of this sort would have implications for the development of the private offsetting market; however, it could also support Scotland’s national economic recovery and land reform objectives. The SLC also acknowledges tax policy has long sought to support active farming using reliefs and exemptions, but they are not targeted at current policy objectives to encourage letting of land and increase the availability of land to new entrants. It recommends the Scottish government discusses with the UK government whether a more progressive approach to the use of reliefs and exemptions in relation to land, including potential for an income tax relief to support the letting of agricultural land could be introduced.

£600,000 to support sustainability on Scotland's islands

Additional funding has been allocated to support sustainability-based projects and provide more green travel options across Scotland's islands. The projects are delivered through the Scottish government's Island Communities Fund, which provides investment for community-led projects that support employment, community resilience and contribute to Scotland's just transition to net zero. The fund is managed by Inspiring Scotland on behalf of the Scottish government, and it supports 35 projects which span across 55 islands. One of the projects receiving funding is Foula Wool which will now be able to bring all the physical processing that goes into creating the Foula Wool product range back to the island, retaining its full value in the local economy and ensuring all the yarn processing machines are run on low carbon renewable electricity generated by Foula's own off-grid network. All projects that receive funding should be completed by 31 March 2022.

Other Rural News

More joined up thinking for agricultural universities

Sixteen universities which offer courses in agriculture and conduct agricultural research are collaborating to form the Agricultural Universities Council. The Council's first project is to map existing agricultural research capacity across the UK for the first time in a decade, and to work with farmers and other key agri-environmental stakeholders to shape future research priorities. Harper Adams University, the Royal Agricultural University and Newcastle University are all part of the partnership. Through collaboration the universities aim to ensure the UK's world-leading research into sustainable food and farming is deployed in the most effective manner.

And finally...

Windy Pete becomes a one-man renewable magnate

A retired engineer, Pete Bailey, known locally as 'Windy Pete', has become the first person in England to supply renewable energy to his local community from his own private wind turbine. Supported by a community interest company, Pete's 50kw wind turbine provides electricity for 17 households, covering about half of all their energy needs and saving each home around £60 a year. Pete makes 50% more money by supplying directly to the community than he would if he sold the power to a utility company. Pete's wind power has proved so popular that there is now a waiting list, and he aims to expand the output to more than 50 homes in the spring.

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