

Food & Farming

The state of the UK's food security

The UK's 2021 Food Security Report was presented to parliament on 16th December 2021. Due to the Agriculture Act, the government is legally required to report on the UK's food security at least once every three years. The report shows that in 2020, the UK imported 46% of the food it consumed. No one country provides more than 11% of those imports. By value, £48 billion of food and drink was imported and £21.4 billion was exported. The UK is largely self-sufficient in grain production, whilst in meat, milk and eggs the UK produces roughly the equivalent volume to that it consumes (but not in value terms). The UK produces 50% of the vegetables consumed domestically, including 71% of potatoes, but only 16% of the fruit consumed. The majority of imports are fulfilled by EU production. The report highlights that Covid-19 severely impacted the UK food supply chain but the response from industry and the government demonstrated sector resilience. Climate change, soil degradation and supply chain pressures pose some of the greatest risks to future production and food security.

Fully autonomous tractor ready for large scale use

John Deere has unveiled an autonomous tractor, which will be available to US farmers later this year. It combines John Deere's 8R Tractor, TruSet-enabled chisel plough, GPS guidance system and other new technologies. The tractor is driven to a field just like a conventional tractor and then configured for autonomous operation using the John Deere Operations Centre Mobile app. While the machine is working, the farmer can leave the field to focus on other tasks whilst monitoring the machine's status from their mobile device. The tractor uses six pairs of cameras to enable 360 degree obstacle detection and distance calculation and is accurate to within less than 1 inch. The development of this tractor illustrates that productivity-boosting autonomous technology is rapidly becoming a tangible option for farmers.

Seasonal worker visas continued

Defra has confirmed the Seasonal Worker visa route will be extended until the end of 2024 in order to allow workers from overseas to come to the UK for up to six months to pick both edible and ornamental crops. There will be 30,000 visas available in 2022. This number will be kept under review, with the potential to increase it by 10,000 if necessary. The number of visas will taper down from 2023. While acknowledging the sector's reliance on overseas workers, the government is committed in the long term to becoming a high-skilled, high-wage economy and believes that more must be done to attract UK workers into the agriculture sector by offering training, career options and wage increases. Alongside this it wants to see increased investment in automation technology to reduce the seasonal labour demand.

Policy

Countryside Stewardship payment rates increased by 30%

At the Oxford Farming Conference, Secretary of State George Eustice announced further details of the Local Nature Recovery and Landscape Recovery schemes which form part of Environmental Land Management along with the Sustainable Farming Incentive. He also revealed that Defra is increasing current and future Countryside Stewardship (CS) payment rates by an average of 30%, starting from this year. In reality, only some CS options will receive rate increases, some will remain the same and some may drop in 2023. For example, OP5, the option for undersown cereal, is increasing from £86 to £233 per hectare for agreements starting in 2022 and 2023. There are also significant increases in payment rates for organic land management options and management options that will reduce crop inputs and increase carbon sequestration.

However, options such as basic overwinter stubble (AB2) and harvested low input cereal (AB14) will see a reduction in payment rates for agreements starting in 2023. Option AB13 (Brassica fodder crop) will not be available as an option for agreements starting from 1st January 2023. Existing agreement holders will benefit from the changes as they will be paid based on the new rates for options where the rate has increased, but will continue to receive the higher rate specified on their agreement in cases where option payment rates have been cut. The increases only apply to area-based revenue payments, leaving capital items underfunded in many cases.

Farming Investment Fund update

The government launched the Farming Investment Fund in November 2021. It has now made some improvements to the fund, including providing more time to prepare applications and publishing additional [guidance](#) about the Improving Farm Productivity grants.

The Improving Farm Productivity theme will be launched in mid-January 2022. It will award grants for capital items to improve farm and horticultural productivity through the use of robotic or autonomous equipment, systems to aid crop and livestock production, and the installation of slurry acidification equipment. The eligibility and desirability of applications will be assessed using an online checker. Online applications will be available for eight weeks and if the project scores highly enough, farmers will be invited to submit a full application. These will be due in mid-September and if a project requires planning permission, farmers must secure it by the end of December 2022.

For those wishing to apply for the Water Management theme, the online checker closes on 12th January 2022 and full applications are required by 30th June 2022. Planning permission and any abstraction license requirements need to be in place by the end of December 2022. To discuss the Farming Investment Fund further please contact [Georgina Sweeting](#).

Farmers in Wales can register to have their say on future policy

In order to influence the next phase of designing Wales' new Sustainable Farming Scheme, farmers need to register on the Welsh government [website](#) or speak to their local Farm Liaison Service representative. The Welsh government co-designed the first iteration of the scheme with 2,000 people and the next phase of co-design will take place this summer. The final consultation on the Sustainable Farming Scheme and agricultural transition in Wales will happen in spring 2023, and the scheme is set to be launched in 2025.

Environment & Natural Capital

UK land-based carbon credits could be worth £1.7 billion per year

A new report which focuses on quantifying, qualifying and ensuring good governance in the trading of natural capital and carbon was launched at the Oxford Farming Conference. The [report](#), commissioned and funded by Savills and the WWF/Tesco partnership, states the potential market value of UK land-based carbon credits alone could equate to as much as £1.7 billion annually by 2050. However, the governance of these markets is crucial to make the marketplace a credible and practical reality.

A second [report](#) also commissioned by the WWF/Tesco partnership warns farmers to focus on their own farm emissions reduction before considering the trading of their carbon to offset pollution in other sectors. The report does not aim to resolve the inherent complexities of markets and land use, but rather to give strong guidance for regulators and pioneering market actors.

Emily Norton, Head of Savills Rural Research and Director of the Oxford Farming Conference says, "The potential market value of £1.7 billion per year for carbon credits is roughly half the current value of all public support payments for agriculture. But it's clear from the recommendations that we cannot jump at this new opportunity without the right safety nets to prevent an overly dominant focus on the most emissions reducing land-use practices, afforestation and peatland restoration, at the exclusion of food production and biodiversity gain".

Detail released on second element of ELM - Local Nature Recovery

In his speech at the Oxford Farming Conference, Secretary of State George Eustice made new announcements on Environmental Land Management's Local Nature Recovery (LNR) scheme. LNR is to be an improved and more ambitious successor to the Countryside Stewardship scheme in England. It is intended to pay for locally-targeted actions to make space for nature in the countryside. Defra has said LNR will initially support managing species rich grassland, wetland habitats, lowland heathland, coastal habitats, peat and moorland, woodlands, rivers, floodplains and riparian habitats, as well as supporting targeted wildlife species. There will be an emphasis on collaboration within the scheme, although farmers will be able to apply to LNR individually.

The scheme is intended to work alongside the Sustainable Farming Incentive. Additional details including payment rates will be published later this year. There will be an early version of the scheme available to a limited number of people in 2023, then the scheme will be rolled out across the whole country by the end of 2024. For more information see our latest research briefing note.

Property & Development

Impact of second homes debated

On 6th January the issue of second homes and holiday lets in rural communities was debated in the House of Commons. Tim Farron, Liberal Democrat MP for Westmorland and Lonsdale led the debate and said that whilst he welcomed those who stay in Cumbria as a holiday destination, local communities faced an existential threat because of the rural housing crisis. The MP referenced South Lakeland, where the average house price is 11 times greater than the average household income. In response, the Minister for Housing, Christopher Pincher, confirmed that the government is proposing to consult on the introduction of a tourist accommodation registration scheme in England, in order to build an understanding of the evidence and issues that high numbers of second homes can pose.

Business & Economy

Future funding for rural Scotland

Within its 2022 - 23 budget the Scottish government has committed to providing over £650 million in support across the Scottish rural economy in agriculture, fishing and seafood. The budget intends to help strengthen the resilience of rural, coastal and island communities. £25 million will be invested into transforming Scotland into becoming a global leader in sustainable and regenerative agriculture. The Scottish government has also committed to provide a new round of agri-environment investment, which will be delivered as part of an overall £36 million budget, including funding to help deliver the country's commitment to double the area of land used for organic farming.

UK - Australia trade deal is signed

On 16th December 2021, the UK signed its trade agreement with Australia. According to the government, the deal is expected to unlock £10.4 billion of additional trade and eliminates tariffs on 100% of UK exports. The NFU is concerned the deal will undermine domestic production as it removes trade protections for sensitive agricultural sectors, increasing sheep meat and beef, but offers very little benefit to British farmers. Australian sheep meat will be granted an immediate tariff free quota of 25,000 tonnes, rising in instalments to 75,000 tonnes. Whilst imports of Australian beef will benefit from a tariff free quota of 35,000 tonnes, rising to 110,000 tonnes.

£1 billion funding for Omicron-hit businesses

Recognising the Omicron variant will affect trading in the hospitality and leisure sectors, the government has announced one-off grants of up to £6,000 per premises for hospitality and leisure businesses in England. Hospitality UK has reported that many businesses lost 40-60% of their December trade, in a month that is often their most profitable. Around 200,000 businesses will be eligible for these business grants and they will be administered by local authorities. The Culture Recovery Fund has been boosted with an additional £30 million of funding too. In Scotland an additional £100 million of support has been offered; eligible hospitality and wedding supply chain businesses will receive a December and January [Business Support Top Up](#) and a further round of the Scottish Wholesale Food and Drink Resilience Fund will run this month.

Other Rural News

And finally...

Roads getting icy? Beet the street

Salt spreading on icy roads is something we are all familiar with. However, too much road salt can pollute waterways and damage vehicles. This has led some city authorities, specifically Washington D.C, to look at more eco-friendly ways of de-icing the roads. And the solution has been found in sugar beet. The extract of sugar beet, when combined with traditional ice-melting chlorides, can be more effective at lowering the freezing point of water than salt alone. It's also more biodegradable and less corrosive to vehicles. Applying beet-enhanced brine to road surfaces has happened since the 1990s, but it is starting to become more popular, along with using other agricultural by-products such as pickling juice, cheese brine and wasted beer.

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

Contacts



Andrew Teanby
Associate Director
ateanby@savills.com
+44 (0) 1522 507 312



Molly Biddell
Policy Analyst
molly.biddell@savills.com
+44 (0) 207 409 9987

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Landscape | Issues shaping the future of rural estates, agriculture and land management

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, with the 's' in a darker shade than the rest of the letters. It is positioned in the top right corner of the page, next to a yellow rectangular background element.

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