

Food & Farming

Update on agricultural grants

Defra has ceased accepting new applications for the Sustainable Farming Incentive (SFI). Details of a revised SFI will be announced following the Spending Review in the summer. Current holders of SFI agreements will continue to receive payments according to their agreement terms. Applicants who have received an SFI offer must accept it within ten working days or the offer will be withdrawn. Applications submitted before the closure of the scheme but without an issued offer will still be considered for agreements if deemed eligible. Any applications that were in progress but not submitted before the scheme's closure will no longer be eligible for submission, though there are some exceptions to this, such as where applications were delayed due to systems failure, those who requested "assisted digital" support from the RPA and ex-SFI pilot farmers. For more information, please contact [Georgina Sweeting](#).

Several updates and announcements have been made in recent weeks regarding various grants. The Farming in Protected Landscape (FIPL) funding has been extended to 2026. This extension is relevant to those involved in farmer cluster groups in England who have utilised FIPL funding since its launch in 2021. Although applications are open until March 2026, the government has indicated the scheme may close early if all funds are allocated before this date. There is still no information about a replacement scheme.

The Farming Equipment and Technology Fund will initiate another round of funding, providing £46.7 million to farmers and land managers in England from spring 2025 for the acquisition of new equipment. This funding will cover two themes: productivity and slurry management, with an allocation of £30 million, and animal welfare, with an allocation of £16.7 million. Specific items available for purchase will be detailed in upcoming guidelines, though examples from previous funding rounds included items such as cattle crushes and slurry injection systems.

The Farming Innovation Programme (FIP) is continuing with another round, offering two funding competitions: one focused on net-zero farming and the other on projects enabled by the Genetic Technology (Precision Breeding) Act 2023. This Act allows for more in-field research into genetically modified organisms and precision-bred organisms to enhance yields, combat pests and diseases and improve the health and nutrition of crops. Each competition will have a total fund of £12.5 million available. FIP funding is available only in England.

The government has announced the Accelerating Development of Practices Fund (ADOPT), which will be launched in spring alongside the FIP. Initially proposed by the previous government, ADOPT has now been implemented by the current Defra ministers and aims to reduce risks and promote practical, farmer-led research by funding projects between £50,000 and £100,000 in England. A "support hub" will assist farmers with their applications for the scheme. Specific guidance on the actions ADOPT will fund and eligibility criteria will be provided soon.

Several other grants were also reviewed:

- The Animal Health and Welfare Pathway will now provide funding for veterinary visits for multiple species in England.
- Existing capital grant applications in England have been "unfrozen" and affected applications will now be processed. The scheme is scheduled to reopen for new applications later this year.
- In Wales, the Small Grants Efficiency Scheme is currently accepting applications, offering financial support to help farm businesses enhance their technical, financial and environmental performance.

Agricultural Land Classification deemed outdated

A CPRE report outlines the need to update the Agricultural Land Classification system, which still uses data from the 1940s, leading to overestimated land productivity. Lowland peat soils, crucial for 40% of the UK's vegetable production, are particularly affected. Extreme weather is also reducing arable land, with 60% of England's top-grade farmland at high flood risk. Since 2010, 14,000 hectares of prime farmland have been turned over to development for housing, renewable energy and nature restoration. CPRE urges the government to include

accurate farmland assessments in the new Land Use Framework for balanced, sustainable decisions. This [Savills blog](#) discusses the necessity for an alternative grading system which better reflects soil quality.

Vaccines: Trials and authorisations

Farmers can participate in field trials for a new bovine tuberculosis (bTB) vaccine and companion skin test. The Animal and Plant Health Agency says these trials aim to evaluate the safety and performance of the CattleBCG vaccine and the “Detect Infected among Vaccinated Animals (DIVA)” skin test. This test is significant as it can identify bTB-infected cattle among vaccinated animals, which the current tuberculin test cannot achieve. These trials will be conducted on commercial cattle farms in areas with a low incidence of bTB and are projected to conclude by 2026/7.

The Welsh Government has approved the emergency use of three bluetongue vaccines from 1 March 2025. Vets can prescribe these vaccines to be administered on farms by livestock keepers following proper guidance. Farmers must cover the costs and keep detailed records for five years. Since August 2024, the Bluetongue virus (BTV-3) has spread in England, with 221 cases confirmed during the 2024-25 season.

Policy

Steve Reed announces new policies for farmers

At the recent NFU Conference, Environment Secretary Steve Reed announced new policies to boost British farming's profitability and sustainability. Key measures include extending the seasonal worker visa programme to 2030, £110 million for agricultural innovation and technology and an additional £30 million to align Higher Level Stewardship payments with ELMs schemes.

Mr Reed also emphasised the government's commitment to maintaining high standards in trade deals, stating, “we will not undercut standards in trade deals and we will not import hormone-treated beef”. Furthermore, Defra will be setting up a Farming Profitability Unit to examine the viability and profitability of farming for long-term food security. The results from the Land Use Consultation will be published in July, with the Land Use Framework intended to be a decision-making tool rather than a compulsory measure.

Consultation on inheritance tax

A consultation on inheritance tax has been launched, with a focus on trusts. The consultation document invites views on how the changes to inheritance tax, as proposed by the Autumn budget, will apply to property settled into trust. Focus areas include how transfers and transitional provisions will be treated after 6 April 2026, anti-fragmentation and special trusts. The consultation document also provides clarity on how the payment of inheritance tax in interest-free instalments will function.

Currently, most assets qualifying for 100% agricultural or business property relief can be paid in equal annual instalments over 10 years. In many cases these instalments will be interest-free. From 6 April 2026, this option extends to all property eligible for these reliefs, regardless of the rate. For deaths on or after 6 April 2026, the first instalment will be due 6 months after the month of death. Payments will be due annually on the same date for 10 years. If the property is sold within this period, the instalment option will end and all outstanding tax is due, with interest accruing from the day after the sale.

For chargeable lifetime transfers, the first instalment will be due on the usual tax due date, with annual payments for 10 years. If the property is sold, the instalment option will end and interest will be payable from the day after the sale until the outstanding inheritance tax is settled. If a property is placed in a trust, trustees can pay in instalments while the property remains in trust, with the first payment due 6 months after the “10-year charge” arises. The option ends if the property is sold and interest accrues from the sale date.

Scotland: powers to abolish habitats regulations

The Natural Environment (Scotland) Bill, introduced to Holyrood on 20 February, will form a key pillar of the Scottish government's Strategic Framework for Biodiversity. The Bill aims to complement Scotland's Biodiversity Delivery Plan 2024 - 2030, which outlines over 100 actions to address the biodiversity crisis. If passed, the new legislation will place a duty on Scottish ministers to set legally binding targets for nature restoration and modernise the aims of national parks. These measures have been welcomed by nature groups, however, the Bill's provision to allow ministers to modify or restate Environmental Impact Assessment legislation and the Habitats Regulations (which are said to be one of the UK's strongest environmental protection regulations) has raised concerns from RSPB Scotland.

The Charity has said they are “deeply concerned” the Bill proposes the introduction of unnecessary new powers to amend vital environmental protections without restrictions nor full parliamentary scrutiny. The Scottish government’s cabinet secretary for rural affairs, Mairi Gougeon, has said the proposals brought forward by the Bill would address the “twin crises” of climate change and nature loss, which though interdependent “need to be tackled together”.

Environment & Natural Capital

Guidance issued for beaver release

A pair of wild beavers was released into a Dorset nature reserve more than 400 years after their extinction in Britain. This comes after the government committed to the reintroduction of beavers into the wild, moving beyond the previous system of release into enclosures. The addition of beavers to a landscape can help to transform the area and assist in restoring rivers and wetlands whilst contributing to national biodiversity targets.

Natural England has been heavily involved in providing research, feasibility studies and recommendations relating to the safe reintroduction of beavers into the wild. Informed by this work, guidance has now been published on managing beaver activities, including a five-step beaver management approach and information on grants and training. Though Defra has said the return of beavers will be “carefully managed to avoid impacts on farming, food production and infrastructure” the NFU has raised concerns surrounding “the negative impacts beavers can have on productive farmland, as well as the management requirements, costs and risks involved”.

Farmers reject Galloway National Park proposal

According to an NFU survey, 75.68% of responding members are opposed to the Galloway National Park. A spokesperson for NFU Scotland has said many members have expressed frustration over NatureScot’s running of the consultation process, citing a “lack of transparency and engagement” from the body. NFU Scotland says their members feel as if their concerns have been dismissed regarding the national park and the process has been a “box ticking exercise” only. The consultation, which ran for 14 weeks, closed last month and a report from NatureScot on the findings of the consultation is expected to be reported to the Scottish Government imminently. If the Scottish Government decides to proceed with the designation process following the report stage, a full public consultation will be launched surrounding the creation of a national park in Galloway.

High-tech methods to monitor biodiversity

A new technology called “environmental DNA monitoring” or E-DNA monitoring has the potential to speed up development by reducing time spent on ecological surveys needed to meet environmental compliance. The process, which has been developed by UK-based company NatureMetrics, uses sampling to collect tiny fragments of DNA left behind by animals wherever they go. Scientists can then ascertain exactly what animals are present in the area and in what quantity. It can also be useful for monitoring species that should not be there, such as invasive species. NatureMetrics was a finalist in last year’s Earthshot Prize for its ability to “turn nature into data”, recognising the technology’s potential to help commercial and conservation organisations make more informed choices to protect biodiverse ecosystems.

Property & Development

Consultation on ending leasehold

The government has published a commonhold White Paper, which proposes to end the leasehold system and make commonhold the default tenure, reflecting an approach more commonly seen around the world. The white paper will form the basis of a draft leasehold reform bill later in the year that is likely to include a ban on developers selling new flats as leasehold. The major reforms will give these homeowners a stake in the ownership of their own buildings and also ensures the interests of homeowners are preserved in perpetuity rather than their value depreciating over time as it does under leasehold.

The main benefits of commonhold compared to leasehold are:

- Commonhold offers full freehold ownership.
- It allows homeowners to be involving in the annual budget for their home.
- There is no ground rent.
- Forfeiture is not possible, meaning an owner cannot lose their home and equity as they can in leasehold.

Consultation will take place later this year on the best approach to banning new leasehold flats so it can work effectively alongside a robust ban on leasehold houses and work will be carried out jointly with the Welsh Government to ensure they apply across both England and Wales.

Business & Economy

Cut emissions and grow the economy

The UK can cut emissions and still grow the economy, according to the Climate Change Committee's (CCC) Seventh Carbon Budget. The Seventh Carbon Budget is the UK's legally binding limit for greenhouse gas emissions between 2038 and 2042 and is to be agreed by the government this year. The CCC recommends the level of the Seventh Carbon Budget is set at 535 megatonnes of carbon dioxide equivalent, equivalent to an 87% reduction in emissions compared to 1990 levels. The CCC estimates the net costs of reaching net zero will be around 0.2% of UK GDP per year on average.

Analysis by the CCC forecasts agriculture will be the second highest-emitting sector by 2040, after aviation. As a result, 7% of the emissions reductions by 2040 will need to come from agriculture and land use, with low carbon farming practices being essential. By way of comparison, 27% of the emissions reductions by 2040 will need to come from surface transport (vehicles, trains and other similar means of transport), 14% from homes, 12% from electricity supply, 11% from industry and 5% from aviation.

According to the CCC, net zero across the agriculture and land use sectors requires a reduction in livestock numbers in to free up land to plant trees. The CCC report estimates that expanding the availability of plant-based meat and dairy options and whole plant-based foods could create net benefits of £900m for the UK economy by 2040. A citizens' panel organised by the CCC said the price of plant-based food needs to be reduced and diversity bolstered to make those options more attractive. Ministers now have until June next year to respond to the CCC's findings.

Funding for rural economies

The government has announced a £33 million allocation for the Rural England Prosperity Fund (REPF). This initiative aims to enhance local infrastructure and economies by supporting the expansion of local businesses, job creation, and the provision of essential services in rural areas. The Government has outlined the types of projects that will be eligible for funding under REPF, which include:

- The creation of "rural business hubs", to provide shared workspaces and networking for rural businesses.
- Development of new products and facilities to assist in diversification out of agriculture.
- Community gardens and green spaces.
- New footpaths and "visitor trails".
- Kitchens in community hubs.

The focus of REPF on diversification is an interesting development, as it may intertwine with the government's plan for the 25-year farming roadmap – one aim is to "help farmers diversify their income streams to support them during poor harvests". More detail is expected on the 25-year farming roadmap soon, as well as further guidance on REPF.

New law bans bonuses for water bosses

The Water (Special Measures) Act 2025 has been enacted, marking a significant increase in enforcement powers to tackle pollution by water companies. Key provisions include enhanced enforcement powers for the Environment Agency to bring criminal charges against water executives, with tougher penalties such as imprisonment for obstructing investigations. Ofwat can also ban bonuses for water bosses if companies do not meet high environmental and consumer standards. The Act also introduces automatic penalties, enabling quicker regulatory responses and mandates independent monitoring of sewage outlets with real-time data publication.

Other Rural News

And finally... Sourdough or sourfaux?

Sourdough bread, with its simple recipe and gut health benefits, has bloomed in popularity over recent years. But is the bread bought from supermarkets actually the real deal? The Real Bread Campaign, which aims to raise awareness of additives in bread, says retailers are exploiting the sourdough trend to charge premium prices for inferior products.

So how do you avoid a bread-based faux-pas leaving a sour taste in your mouth? The simplest way is to check the ingredients list; it should only contain flour, salt and water. Alternatively, you can try baking your own

sourdough at home using a live sourdough starter. With proper care, this starter can last a lifetime, allowing you to enjoy homemade sourdough whenever you like for years to come.

If you have queries about any of the articles, please contact us.

Contacts



Andrew Teanby
Director
ateanby@savills.com
+44 (0) 7835 445 458



Joe Lloyd
Associate
joe.lloyd@savills.com
+44 (0) 7790 824 970

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