

Food & Farming

Overhaul horticultural supply chain, says NFU

The NFU is urging the government to implement a Horticultural Buyers Code of Practice as part of a wider package of recommendations. The aim is to ensure fair and sustainable relationships in the horticulture supply chain. The NFU claims that growers are facing unfair buying practices, rising production costs (increased by 39% in the past two years) and uncertainty about seasonal workers. The code would expand on the existing Groceries Supply Code of Practice and apply to all buyers across the supply chain. The NFU also makes other recommendations to regulate contracts, enforce rules and expand the role of the Groceries Code Adjudicator. They build on the NFU's horticulture strategy from March 2023 which highlighted the top ten policies needed to deliver long-term growth of the sector, one of which was fairness in the supply chain.

Emergency pesticide authorisation for neonicotinoids

The UK government has granted a conditional emergency authorisation for using a neonicotinoid pesticide on the 2024 sugar beet crop in England to prevent virus yellows disease. The decision was made after assessing the scientific evidence and consulting with stakeholders. The authorisation is subject to strict conditions and use may be permitted only if an independent prediction of virus incidence is 65% or more. Emergency authorisations are granted only for a limited period and there will be monitoring requirements and other conditions in place to minimise the risk to bees, other pollinators and the environment.

Virus yellow disease is transmitted by aphids feeding on the crop and leads to reduced yields (up to 50%) which impacts domestic sugar production. The Farming Minister, Mark Spencer emphasised the need to use Integrated Pest Management going forward - an approach which is incentivised by paid actions in the Sustainable Farming Incentive scheme.

Unilever launches its first UK regenerative farming programme

Unilever has announced its first UK regenerative farming programme, working with farms that cultivate mustard seeds and mint leaves for the famous Colman's products. This is part of a global project for Unilever involving investment in sustainable practices on 1.5 million hectares of land and forests by 2030. The regenerative farming programme will begin with four years of trials on farms around Norwich and Peterborough.

Regenerative farming practices will involve using low-carbon fertilisers, crop nutrition strategies, cover crops and reduced cultivation. The programme will also involve new technology such as digital irrigation scheduling systems to improve water efficiency. Data will be collected to establish baselines and create a framework that measures impact. The programme aims to improve soil health and biodiversity to increase resilience and sustain the ability to produce high-quality products.

Policy

What does the budget mean for rural land and property?

Except for a significant decision on Agricultural Property Relief, the budget was considered relatively straightforward for most businesses. The key announcements for our sector were:

Land

- The government has provided clarity on the impact of environmental schemes on Agricultural Property Relief from inheritance tax (see more detail in the article below)
- A joint HM Treasury and HMRC working group with industry representatives will be established to provide clarity on the tax treatment of ecosystem service markets
- Round 2 of the Local Nutrient Mitigation Fund will support the delivery of 30,000 homes by 2030 that would otherwise be stalled due to high levels of nutrient pollution
- £75 million will be provided to Internal Drainage Boards to bolster investment in water and flood management assets which are vital to protect agricultural land from the impact of floods and storms.

Housing

- From 6th April 2024, the higher rate of capital gains tax for residential property disposals will be cut from 28% to 24%. The lower rate will remain at 18% for any gains that fall within an individual's basic rate band. Private Residence Relief will continue to apply meaning most disposals pay no capital gains tax
- The furnished holiday lettings tax regime will be abolished from 6th April 2025 to eliminate the tax advantage that landlords who let short-term furnished holiday properties enjoy over those who let longer term. This affects capital allowances for fixtures, deduction of interest costs and eligibility for various capital gains tax reliefs
- From 1st June 2024, Multiple Dwellings Relief, a bulk purchase relief in the stamp duty land tax regime in England and Northern Ireland, will be abolished. The government will engage with the agricultural industry to determine if any impacts for the sector should be considered further
- The government has published a consultation on the proposed design of a new accelerated planning service.

Business and social

- Full expensing will be extended to leased assets when fiscal conditions allow
- The business rates Empty Property Relief "reset period" will be extended from six weeks to thirteen weeks from 1st April 2024 in England
- Providers of Environmental, Social and Governance (ESG) ratings will be regulated by the Financial Conduct Authority
- An extra £5 million has been added to the Platinum Jubilee Village Halls Fund, to support local village halls across England.

Consultation on bathing water sites

Lovers of open-water swimming will testify to the benefits of a cold-water plunge for both physical and mental health, but research has shown that 60% of swimmers are worried about pollution. Designation as a bathing water site under the Bathing Waters Regulations 2013 is one mechanism through which water quality can be improved. 27 new bathing water sites across England have recently been proposed for designation, including sites on the River Dart, River Severn, Rottingdean Beach, Derwent Water and Manningtree Beach. Each designated site will benefit from enhanced water quality monitoring by the Environment Agency (EA), the results of which can be used to identify and tackle local water quality issues. Duties are placed on the EA, local authorities, sewerage undertakers and others to investigate and remediate pollution incidents at designated bathing waters sites, leading to an overall improvement in water quality within the catchment. A short consultation closed on 10 March.

Environment & Natural Capital

Agricultural Property Relief extended to environmental schemes

Alongside the budget, the government responded to last spring's consultation on the taxation of environmental land management and ecosystem service markets. It has met the sector's calls for the scope of Agricultural Property Relief (APR) to be expanded to address a significant risk for most landowners. From the 6th of April 2025, landowners can adopt many environmentally focused land uses without fear of jeopardising their land's eligibility for relief from 40% inheritance tax.

This is because eligibility for APR is being expanded to include farmland entered into qualifying environmental agreements, and it continues after the agreement ends, provided the land is still managed the same way. The qualifying environmental agreements must be with, or on behalf of, the UK government, a devolved administration, a public body, a local authority or an approved responsible body - i.e. public sector. This means it covers schemes like the Sustainable Farming Incentive and conservation covenants with responsible bodies used to enforce Biodiversity Net Gain, but not environmental agreements between two private parties such as landowners and water companies or companies wishing to fund rewilding. Despite this, the government's decision represents a significant step forward for nature-based solutions and its impact on tax take is modest, estimated as a £5 million reduction in inheritance tax income in 2028/29. Once the detailed regulations are published, the eligibility of assets for the expanded relief will need to be carefully considered in each circumstance, especially in situations where a farmhouse is associated with the land.

The government's response also confirmed the proposal from the Rock Review for APR eligibility to be restricted to tenancies of at least eight years in duration will not be implemented. The measure was proposed to promote longer agreements.

Scotland: Nominations for new National Park

The Scottish government has announced the shortlist of five areas that could become Scotland's next National Park: Scottish Borders, Galloway, Lochaber, Loch Awe and Tay Forest. The nomination process was driven by local communities and organisations, who had to demonstrate the national importance, distinctive character and local support for their proposals. The Scottish government will appraise the five nominations against the published criteria and select a preferred site by summer 2024. NatureScot will then carry out a detailed investigation into the selected area and legislation will be brought forward to designate the new park. The UK has 15 National Parks and by 2026 the newly chosen area will join the existing two parks in Scotland, the Cairngorms and Loch Lomond and the Trossachs. The new park is expected to bring positive benefits for the environment, economy and society of Scotland whilst delivering for people, nature and the landscape.

The future of hedgerow protections in England

Cross-compliance in England ended with the Basic Payment Scheme on 31 December 2023, meaning some important environmental enforcement mechanisms were also lost. One of these related to hedgerows. The government consulted late in 2023 on a new regulatory regime to enforce the protection of hedgerows in England and has now published its formal response to the consultation. There was broad support for the regulatory protection of hedgerows; farming respondents generally wanted a simple framework that supported farm productivity, whereas environmental respondents wanted stronger protections than before. The government has, in response, proposed that the pre-existing regime be adopted in domestic law. This means familiar rules such as the 2-metre buffer strip and ban on cutting between 1st of March and 31st of August will be retained, but with an enforcement approach that mirrors the new, more supportive approach being taken towards farmers. The Rural Payments Agency will be the regulator backed by a range of civil sanctions, but an extension of the protection regime to non-agricultural hedges is also to be considered. New legislation will be brought forward as soon as parliamentary time allows.

Scottish Forestry rejects tree report findings

Scottish Forestry has rejected the findings of a report published by the Royal Society of Edinburgh (RSE) which explores the environmental and social impacts of public money to incentivise tree planting and woodland expansion, and concludes that subsidising commercial forestry planting is not justified. It also states that the potential for the forestry sector to deliver multiple benefits in terms of carbon sequestration, biodiversity, urban environments and rural communities has not been fully realised.

The report includes several recommendations aimed primarily at the Scottish government, its agencies and local government to make the best use of scarce resources to promote multifunctional forests and woodlands. Scottish Forestry has made it clear it rejects the report and has said it is disappointed the Royal Society of Edinburgh did not engage with it when producing the report as it could have fed in the most up-to-date advice, research and other information.

Property & Development

Demand for heat pumps surges

From the 23rd of October 2023, grant levels for certain heat pumps were increased to £7,500, an increase of 50%. This increase seems to have tipped the balance in favour of heat pump installations. There were over 2,000 applications for heat pumps in January 2024, up 39% on the same month in 2023. Only application levels in October and November, immediately following the hike, exceeded January levels. Up to the end of January, the scheme has now received 33,424 applications and has issued more than £133 million in vouchers to customers. The South West has seen the most with 3,894 installations, followed by the South East with 3,886 and then the East with 2,671.

Scotland: Consultation on planning system reforms

A year on from the publication of Scotland's fourth National Planning Framework (NPF), three consultations have been launched to explore further improvements to the Scottish planning system. The first consultation enquires about resources for planning authorities. This includes the power to set fees locally and increase them in line with inflation, and measures to recruit more skilled planners. The second consultation is about Masterplan Consent areas, which would enable consents to be granted up-front for projects that provided local benefit in defined areas or sites. The final consultation seeks views on new powers to amend the NPF and local development plans in response to newly emerging urgent matters, such as changes to energy policy. This would allow updates to planning policy outside of the standard 10-year review process for the NPF.

Fundamental concerns in the housebuilding market

The Competition and Markets Authority (CMA) has found substantial concerns about housing developments' estate management charges. The CMA said homeowners often face high and unclear charges for the management of facilities such as roads, drainage, and green spaces. Concerns have also been found with the quality of some new housing after the number of owners reporting snagging issues increased over the last 10 years. Its final report on the housebuilding market in Great Britain also found the complex and unpredictable planning system, together with the limitations of speculative private development, is responsible for the persistent under-delivery of new homes.

Calculating nutrient neutrality

The Levelling Up and Regeneration Act placed a requirement on water companies to upgrade larger wastewater treatment works in designated sensitive catchments. Natural England and Defra have now published updated nutrient calculators for each of the 27 specific habitat sites impacted by nutrient neutrality requirements. These consider the impact the required wastewater treatment works upgrades will have, so developers can use them to assess their projects and calculate requirements for nutrient offsetting credits. If you would like to discuss nutrient neutrality projects and credits please contact [Julia Pound](#).

Parishes bid to become part of AONB

Seven parishes have come together to submit a joint bid to be added to the Chilterns National Landscape (formerly AONB) to ensure the landscapes specified can be protected. The parishes are Shiplake, Harpsden, Sonning Common, Kidmore End, Binfield Heath, Eye & Dunsden and Mapledurham. They have commissioned a landscape value report which will be submitted to Natural England. The report looks to support their case and highlight the special qualities they share with the existing National Landscape. All seven parishes contributed to the cost of the report and hope that Natural England will approve the boundary extension. The report aims to inform the new local plan which would eventually go to the Secretary of State for approval.

Business & Economy

Farm technology fund opens

Grants for productivity and slurry management items are available now in England through the latest round of the Farming Equipment and Technology Fund. The deadline to apply is on 17th April 2024. Farmers, foresters and contractors active in either sector can apply for one grant from each of three themes:

- Between £1,000 and £50,000 towards productivity items such as direct drills and real-time forage analysers
- Between £1,000 and £50,000 towards slurry items such as robotic slurry pushers
- Between £1,000 and £25,000 towards animal health and welfare items such as automatic milk feeders for lambs.

Grants for animal health and welfare items will be available later this month. If you would like to discuss the fund please contact [Georgina Sweeting](#).

Future policy framework for biomethane production

The Department for Energy Security and Net Zero has issued a call for evidence on the [Future Policy Framework for Biomethane Production](#) which is relevant to on-farm anaerobic digestion. The framework centres around four primary elements:

- The strategic role of biomethane, including the potential for a production target
- A set of guiding principles for future interventions such as which production methods should be in scope and how to retain flexibility in end-use
- Interventions to accelerate market growth, ranging from planning regime changes to a variable incentive mechanism
- A sustainability regime to underpin the entire approach.

Other Rural News

Scotland: Attracting young people to rural life

Policy development in Scotland continues to tackle generational renewal in rural areas. The Scottish government has published an Addressing Depopulation Action Plan, which proposes a range of measures to tackle population change because of unequal growth and demographic change. Among the proposals in the plan is a commitment to work with local youth groups to develop policies that take the needs and interests of the next generation into account, such as transport, housing and employment. The aim is to support and encourage more young people to stay in or, relocate to rural and island regions through engagement with groups active in these areas. Separately,

the Scottish Conservative Party announced a plan to launch an agricultural enterprise fund to attract new entrants. Previous schemes have successfully supported new entrants to start rural enterprises but have not run since 2020. The fund could provide grants of nearly £100,000 and would aim to bring 500 new farmers into the industry.

And finally... Lightning in a bottle

An agricultural start-up wants to bottle the power of lightning to create green fertiliser. When lightning strikes, it can break apart atmospheric nitrogen molecules and create nitrogen dioxide. If it strikes near water, the nitrogen dioxide will dissolve, making a solution that is readily absorbed by plants. Debye's system envisages modular and containerised systems that simulate lightning's effect using only water, green electricity and air. With this modular system, it hopes farmers will be able to create their own green fertiliser at the flick of a switch.

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

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