

Food & Farming

The future of farming in Wales becomes clearer

The Welsh government has published its proposals for the Welsh Sustainable Farming Scheme (SFS), which will provide the long-term framework for future agricultural policy and support in Wales. The focus of the framework is on supporting sustainable food production and integrating solutions to the nature and climate emergencies. The SFS will be the main source of government support for farmers and will meet the objectives of Sustainable Land Management, the Welsh government's guiding principle for agricultural policy. The SFS will consist of a three tier system of actions and payments – Universal, Optional and Collaborative. Within the Universal tier are 12 actions that every farmer who applies to the SFS must comply with to receive income (paid at a flat rate per hectare). One of these Universal actions is that all farms will be required to have a minimum of 10% tree cover on every farm (including existing trees). Habitats on at least 10% of each farm will also need to be managed and enhanced, or new ones created to achieve that figure. The Optional tier of actions include increased payments for mob grazing, drying poultry manure and growing crops that reduce reliance on imported feed. The Collaborative actions are targeted at groups of farmers delivering public goods such as improved water quality at landscape scale. The government has emphasised that the SFS has been designed so that all types of farmer can access it, including tenants and those with rights to common land. Payment rates will be confirmed once the final scheme goes out for consultation in 2023. Lesley Griffiths, the Welsh Minister for Rural Affairs, plans to introduce an Agriculture Bill to the Senedd later this year to lay the groundwork for this new policy. There is no certainty in direct payments for farmers in Wales beyond 2025, however the Welsh government has confirmed it will pay a stability payment to farmers from April 2025 to March 2029, in order to support farmers through the transition period.

The Sustainable Farming Incentive opens for applications

The Sustainable Farming Incentive (SFI) opened on 30th June 2022 for applications from farmers in England. The SFI is one component of the government's new Environmental Land Management scheme, part of England's post Brexit agricultural support policy as the country transitions away from direct payments. The SFI will pay farmers to 'look after the natural environment in the course of their farming'. The initial standards available for farmers are for soil management and moorland condition assessments. For more information on the structure and payment rates of the SFI see our briefing note. Applications are via a rolling application process, and farmers are encouraged to apply when best suits them. Farmers will apply online via the Rural Payments service, however Defra continues to roll out new functionality so if the online system does not work for farmers, they are advised to contact the [Rural Payments Agency](#) for support on their applications.

Policy

Ministerial resignations leave Defra in different shape

The turmoil at Number Ten Downing Street last week has resulted in the resignation of the Prime Minister Boris Johnson and the start of a new leadership contest. Never before have so many ministers and aides handed in their resignation – how did Defra fare amidst this historical governing exodus? There were three resignations from those with positions within Defra. Rebecca Pow, known for her work on animal welfare, flood protection, legislating for net zero carbon and campaigning for soil health resigned as the Environment Minister in Defra. James Sunderland left his position as Parliamentary Private Secretary to Defra. Finally, Jo Churchill, the Defra Resources and Waste Minister, a leader in issues such as gene editing, fertilisers, supply chains and the circular economy also resigned. These ministerial changes may lead to instability and a lack of confidence on key issues that are being legislated for, which will impact investment and has the potential to delay time critical decisions. One of the 18 MPs remaining in the Cabinet is Secretary of State for Environment, Food and Rural Affairs George Eustice, which currently brings more stability to Defra than other departments.

New land reform proposals in Scotland

A new consultation has been launched into the latest set of proposals from the Scottish government on Land reform. Land reform focuses on increasing the transparency and diversity of land ownership in Scotland, and strengthening the role of communities. The consultation document, titled Land Reform in a Net Zero Nation, clearly positions land reform as something that needs to be addressed within the context of environmentally led land use change. There

is an understanding that Scotland's natural capital has become more valuable than ever due to its potential to support net zero emissions and nature gain. The government believes both public and private investment into nature-based solutions will be essential to tackle the climate and ecological crises, but controls are needed to ensure investment supports Scotland's communities rather than solely benefiting remote corporate projects. Land reform is seen as central to enabling a 'Just Transition'. The proposals within the consultation include strengthening the land rights and responsibilities statement, a broader use of land management plans and the introduction of a public interest test for large scale land transfers. Some of the proposals only relate to large scale land holdings, the definition of which is proposed to be land holdings over 3,000 hectares. This consultation will close on 25th September 2022 and will inform a new Land Reform Bill, which will be introduced to the Scottish parliament by the end of 2023.

Environment & Natural Capital

Duchy commits to net zero by early 2030s

The Duchy of Cornwall has published a report outlining its total greenhouse gas emissions. It includes the emissions from its operations (scopes one and two) and from its full value chain (scope three). The report sets out the Duchy's plans for achieving net zero by the early 2030s, focusing on how this will be achieved in partnership with its suppliers, tenants and staff. The Duchy's ambitions include reducing its emissions from farming by 95%, reducing the emissions of property by 40% and developments by 65%. In order to achieve this, the Duchy will restore degraded peatland on Dartmoor, retrofit existing properties and implement more low emissions energy sources into buildings. It also plans to instruct investment managers to reduce the investment portfolio's emissions and to increase sequestration through nature-based solutions. To bring all staff in the Duchy up to a common level of knowledge and engagement around emissions, a Duchy-wide learning and engagement programme will be developed.

Woodland planting and peatland restoration framework for England

Natural England, Defra and the Forestry Commission have launched a support framework for decision making on where to establish trees and where to restore peat. This intends to provide greater certainty, consistency and quicker decision making for all stakeholders, whilst considering potential biodiversity value, future site conditions in a changing climate, water and archaeological interests. This [guidance](#) applies to England only, for new proposals for tree felling or woodland creation on peatland.

Property & Development

Government investigates pros and cons of short-term and holiday lets

The Department for Digital, Culture, Media and Sport has issued a call for evidence on the benefits and challenges presented by the rise in short-term and holiday lettings seen in England over the last 10 to 15 years. This is part of the Tourism Recovery Plan, which is intended to help England's tourism industry move towards a more accessible, resilient and sustainable model. The government recognises England's guest accommodation offer has changed over recent years, primarily due to the growth of online platforms. The rise of the sharing economy brings many benefits, however also has an impact on local housing markets and has brought with it health and safety concerns. This call for evidence therefore seeks views and data on the positive and negative impact of short-term lets. Earlier this year, Scotland issued [new regulations](#) on short-term lets and England seems to be following suit as a tourist accommodation registration scheme is under consideration. The [call for evidence](#) is open to everyone and will run for 12 weeks.

Business & Economy

Telecom company powers are questioned

A Bill which will force farmers and landowners to accept cuts of up to 90% in the rent they receive for hosting mobile phone masts has received significant criticism from within parliament. Since the Electronic Communications Code was passed in 2017, telecoms operators have been reducing rents without consulting site owners. The new Product Security and Telecommunications Infrastructure Bill could reduce the limited legal safeguards landowners are currently entitled to under existing law. The government has said the savings telecom companies make on rental payments will be reinvested into new networks to benefit consumers, however phone bills continue to rise for customers, even though telecoms providers are heavily subsidised to roll out 5G. The Bill received cross party resistance from MPs and it is expected the Lords will challenge the policy. It is positioned as part of the levelling up agenda, but there is concern it will benefit telecom companies' profits to the detriment of site owners. Please contact [Kenneth Munn](#) if you would like to discuss telecoms in more detail.

Biggest ever UK renewables auction secures enough clean power for 12 million homes

A record amount of renewable energy has been secured through the latest round of the UK government's renewable energy auction. The auction scheme delivered almost 11GW of clean energy, nearly double the capacity achieved in the previous round. This is enough to power around 12 million British homes with renewable, homegrown energy, which the government hopes will reduce the UK's exposure to volatile global energy prices. Solar and onshore wind was included for the first time in the auction since 2015 and secured 2.2GW and 0.9GW respectively. Onshore wind secured a per unit price 45% lower than in 2015, with all onshore wind sites in Scotland, continuing the effective ban on onshore wind in England. Offshore wind secured the greatest capacity (7GW of the 11GW total) and prices for this are 70% lower than in the first 2015 round. For the first time ever, tidal power and floating offshore wind secured funding in the auction.

Other Rural News

Dutch farmers protest in face of farm closures

Amsterdam and other cities across the Netherlands have been brought to a standstill as farmers protested against the Dutch government's plans to slash greenhouse gas emissions. The protests coincided with a parliamentary vote on a proposed £22 billion programme to halve agricultural emissions of nitrous oxide and ammonia by 2030. In areas closer to nature reserves, the policy is tougher, with 70-95% reductions targeted. It will be left to regional government to decide how to deliver these targets, but farmers are concerned this will result in big cuts to livestock numbers and the shutting down of some farms that cannot comply, resulting in job losses across the agricultural sector in the Netherlands.

The protestors blocked motorways with tractors and some farmers descended on the Dutch parliament buildings in The Hague. Despite the protests, the Dutch coalition government approved the proposals. Following the vote, the Netherlands House of Representatives released a statement which said 'the honest message is that not all farmers will continue in business. Those who do will have to farm differently'.

And finally...

Metaverse real estate more expensive than real world agricultural land

Metaverse real estate has been reported to be more expensive than real world agricultural land. The metaverse is the term used to describe the immersive online virtual world, which has grown in interest over the past few years. Investors can purchase a coded plot, in the form of a Non-Fungible Token, which provides a digital certification of ownership. Virtual landowners can then develop the plot for a variety of uses.

As with property in the real world, the prices of property in the metaverse are determined by location. Areas in the metaverse where people congregate are said to be much more valuable than areas that don't have any virtual events going on. For example, someone recently paid £376,460 to be Snoop Dogg's neighbour in a virtual world called the Sandbox. It is thought plots of land have increased by as much as 500% in the past few months, particularly since Facebook announced its continued investment into virtual reality. Virtual real estate development companies such as Everyrealm are making these transactions possible. For more information see this [blog](#) from Savills.

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

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