

Food & Farming

Consultation on dairy supply chain

A consultation by the Groceries Code Adjudicator in 2016 found unfair practices have persisted in the dairy industry. The consultation found a number of inequalities, including buyers changing contract terms at short notice and a lack of bargaining power amongst the smaller and disaggregated primary producers of the food supply chain. The UK government is now seeking views on how to end these unfair practices. Devolved administrations will work with the UK government to support the consultation.

This [latest consultation](#) includes various proposals including an option to introduce a mandatory pricing mechanism to ensure the price paid for milk is formally agreed within any contract. Other proposals include enshrining a minimum duration for supply arrangements in the terms of a contract as well as the volume of milk to be supplied. The consultation is now open and will close 15 September 2020.

Meat industry labour challenges

Meat processing is a labour intensive industry that is inherently difficult to automate due to the dexterity and judgement required on parts of the production line. The British Meat Processors Association has just published a report which lays out the labour challenges that the industry faces, the recruitment efforts that have already been undertaken and how firms plan to tackle this in the future.

BMPA conducted a survey of its members as part of the report. It showed that, while the reliance on overseas labour has come down since 2018, it is still very high with EU workers typically making up over 60% of the workforce. The report's author and BMPA's Technical Policy Manager, Anna Proffitt, said "while it's hoped that more UK workers will now be attracted into the profession, there still remain significant challenges to fill skilled positions." She added "these skilled workers can only come from abroad and that's why BMPA is calling on the Home Office to include Butchers on the Shortage Occupation List". The report has been submitted to the Migration Advisory Committee consultation as part of an industry-wide request for a more tailored Shortage Occupation List.

BPS penalties simplified

The government has changed the way penalties are calculated for small over-claims of land as part of BPS applications. If the over-claim is more than 2 hectares or 3%, but not more than 10%, of the area determined, the RPA will apply a penalty. The penalty will be 0.75 times the size of the over-claim. For over-claims of more than 10% of the area determined, the penalty will be 1.5 times the size of the over-claim. There will be no penalty for an over-claim of no more than 2 hectares or 3% of the area determined. The government has already set the exchange rate for BPS 2020 payments at the same rate as last year at €1 = £0.89092.

COVID-19

Open Farm Sunday cancelled

Originally scheduled to take place in June, Open Farm Sunday was postponed until September in the wake of the coronavirus pandemic. But LEAF, organisers of the annual event, says it will now be delayed until next year. Farmers continue to express concerns over hosting face-to-face events and so LEAF is making plans to promote virtual farm tours on the weekend of 20 September. It says "this will be an exciting opportunity to showcase the tail end of harvest, drilling and autumn calving alongside many other aspects of farm life". Open Farm Sunday will return on Sunday 13 June 2021.

Similar fates have befallen other farming events scheduled to take place in 2020. UK Dairy Day would originally have taken place on 16 September in Telford but has now been postponed until 15 September 2021. NSA Sheep 2020, previously scheduled to take place this month, has been cancelled entirely. The show will return in 2022 as a biennial event to take place on 27 July.

Policy

Big win for farmers

The government has agreed to the establishment of a Trade and Agriculture Commission. The commission will consider the policies adopted by the government in free trade agreements, such as those already underway with the US, Japan and New Zealand. In its consideration, the Commission is to ensure UK farmers do not face unfair competition and that welfare standards are not compromised. It is also to identify new export opportunities for UK agriculture, particularly for SMEs. The concession comes shortly after dozens of Conservative MPs defied the whip and called for safeguards on UK food standards to be guaranteed in UK law. The make-up of the new commission has also been announced, with concern from farming commentators that the Commission is too heavily biased towards trade. However, it also has strong representation from the UK farming unions and supply chain bodies.

The debate around food standards is rapidly becoming a “big ticket” item for politicians and the public alike. After more than one million people signed the NFU food standards petition, retailers are beginning to rule out the sale of sub-standard food imports in their stores. In June, Waitrose was the first to make the pledge and has now been followed by Aldi. Aldi UK’s CEO, Giles Hurley said “We will never compromise on the standards or specifications of our products, and that includes a commitment to never selling chlorinated chicken or hormone injected beef”.

Agriculture Bill returns to Lords

The Agriculture Bill has returned to the House of Lords. Defra Lords Minister Lord Gardiner will lead several sittings of the house over the next two weeks as part of the Bill’s Committee stage. The Bill sets out a number of significant changes to agriculture, including plans for a new land management system. Peers will have the opportunity to scrutinise the legislation and consider any amendments tabled by peers following the Second Reading earlier this month. The debate so far has included the need for the Bill to offer more clarity on the duties it will place on ministers, as well as the need for consistency with the forthcoming Environment Bill. The third and final day in debate is on 14 July.

Business and Economy

Ofgem changes to RHI

The government has announced a boost for renewable heat projects. In response to the COVID-19 outbreak, applicants who applied before the 29th June to the Tariff Guarantee under the Non Domestic Renewable Heat Incentive (NDRHI) Scheme will have an additional 14 months to have the system commissioned.

The RHI Tariff Guarantee allows a project to lock into a RHI tariff before construction begins. It is important for lowering the risk of a tariff being reduced while a project is being developed, and is only available for larger projects. A third allocation for the Tariff Guarantee will open in July 2020. This new allocation requires projects to have submitted financial evidence and have submitted Stage 2 of the Tariff Guarantee process before the closing of the NDRHI Scheme on 31st March 2021. These projects will also be able to commission up to March 2022.

The end of the NDRHI remains the 31st March 2021 however these changes will allow some projects to commission after this date. As previously announced, the domestic RHI will have a 12 month extension to 31st March 2022. For further details on the RHI please contact [Henry Grant](#).

Scotland's blueprint for economic recovery

A Scottish government report has proposed a UK-wide £80 billion stimulus package to regenerate the economy and reduce inequalities following the coronavirus pandemic. Initiatives include:

- A temporary reduction in VAT of five percent
- A two pence cut in employers’ National Insurance Contributions to reduce the cost of hiring staff
- Creation of a National Debt Plan to help business and household budgets recover
- Adopt new fiscal rules which prioritise economic stimulus over deficit reduction
- Extend Scotland’s financial powers to allow it to shape its own response to the pandemic

Finance Secretary Kate Forbes said “the UK Government’s fiscal policies are still key in determining our budget” and added “if the UK Government is not prepared to respond then Scotland must have the additional financial powers required to secure a sustainable economic recovery”.

Scotland’s food and drink industry alone will lose a fifth of its value this year. James Withers, chief executive of Scotland Food and Drink told Holyrood’s rural economy committee that the food, farming and fishing industry “is set to lose £3 billion of the value of the sector in 2020” and added that even that estimate is at the “optimistic end of the spectrum”. The National Farmers Union Scotland (NFUS) has acknowledged that the sector will need to transform in the post-Covid climate and already “lockdown and social distancing has forced many agriculture activities online, such as farm shops and livestock auctions”. Even this flexibility is fraught with issues however, with businesses

facing a “significant postcode lottery in broadband capability and speed across Scotland’s rural areas” according to the NFUS.

Environment & Natural Capital

Biodiversity Credits Scheme Pilot

Natural England will launch a pilot scheme to support the design of biodiversity credits by developing a biodiversity credit investment pipeline and payment structures to fund habitat provision. The Environmental Bill will make a gain in biodiversity a mandatory requirement for developments. Where a developer cannot achieve at least a 10% biodiversity net gain on the development site, they will have the option to purchase biodiversity credits from an offsite habitats market.

As part of the pilot a call for projects will be issued in mid-July 2020. Interested parties will be asked to submit proposals for habitat provision projects which will then be assessed. The scope of work is likely to involve undertaking biodiversity net gain calculations, developing management plans and setting out required agreement structures for habitat provision. Those which are successful will then be invited to join with the pilot running from October 2020 to February 2021.

Let nature help

The Wildlife Trusts have released a report encouraging us to let nature do some of the heavy lifting when it comes to tackling the climate crisis. Their [Let Nature Help](#) report outlines how various natural landscapes in the UK could absorb and store carbon if expertly restored. Such restoration has the dual benefit of addressing both the climate and nature emergencies simultaneously. Further advantages according to the Wildlife Trusts include flood defence, prevention of coastal erosion, improvements in public health and thriving ecosystems. Craig Bennett, CEO of The Wildlife Trusts says “nature in the UK is in a sorry state and important habitats are damaged and declining. Efforts to cut our emissions must be matched with determined action to fix our broken ecosystems so they can help stabilise our climate.”

Property & Development

Build, Build, Build

Boris Johnson’s New Deal will build back better, build back greener and build back faster in an attempt to fuel economic recovery. Infrastructure will receive the lion’s share of investment with £5 billion being invested over numerous areas including £1.5 billion towards healthcare, over £1.7 billion in education and close to £1 billion towards local regeneration projects. An Infrastructure Delivery Taskforce named “Project Speed” will look to “scythe through red tape and get things done” by identifying outdated practices and blocks to progress. In addition, the government will also publish a National Infrastructure Strategy in the Autumn with the objective of creating a unified direction for core economic infrastructure.

Part of Johnson’s offensive on inefficiency included an attack on “newt-counting delays” and wider planning due-diligence processes which he deemed a “massive drag on the productivity and the prosperity of this country”. To speed up rebuilding, a number of planning reforms have been announced and will be implemented by September:

- More types of commercial premises being repurposed through reform of the Use Classes Order
- More commercial buildings will be allowed to change to residential use without a planning application
- Not requiring a normal planning application to demolish redundant residential and commercial buildings if they are rebuilt as homes
- Permitting the building of additional space above home owners’ properties via a fast track approval process, subject to neighbour consultation

To build back greener, Johnson largely reiterated pre-existing commitments. A fund of up to £40 million will look to create green jobs as part of the nation’s recovery from the coronavirus pandemic. The Green Recovery Challenge Fund will look to help charities and environmental organisations start work on projects to restore nature and tackle climate change. The fund will help conservation organisations and their suppliers create up to 3,000 jobs and safeguard up to 2,000 others. Defra will provide the funds with £10 million to come from the Nature Recovery Fund and £30 million from the Nature for Climate Funding. Chancellor Rishi Sunak later earmarked £3 billion to improve energy efficiency, including £1 billion for public buildings and £2 billion to retrofit people’s homes. It has been criticised as falling significantly short of what is needed to reach net zero.

Sunak also announced a number of additional measures in addition to those outlined by the Prime Minister as part of a £30 billion plan to prevent mass unemployment. Measures include a temporary holiday on stamp duty on the

first £500,000 of all property sales, which will remain in place until next March. This will save buyers as much as £15,000 if they are buying a property of £500,000 or more, with Sunak estimating the average stamp duty bill will fall by £4,500. Other measures include:

- Cutting VAT on food, accommodation and attractions from 20% to 5% for the next six months
- 50% off meals out on certain days of the week in August up to £10 per head
- £1,000 for employers who bring back staff who have been furloughed
- £2 billion to create jobs for young people

Other Rural News

And finally...

Minister for Attractiveness

The unveiling of President Emmanuel Macron's reshuffled government was met with stifled sniggers by many Anglophones. As part of efforts to bolster ministries and revive the economy after the coronavirus pandemic, Macron's office announced a new "minister for trade and attractiveness". Unsurprisingly, when the French foreign ministry announced the role through their English Twitter account, it was met with almost instant mockery. It soon emerged that in France, the term "attractivité" is often used to refer to attracting inward investment. Unfortunately for new junior trade minister Franck Reister, renaming his job title in English to "economic attractiveness" has done little to allay the torrent of jokes and memes on social media.

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

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