

Food & Farming

Government Food Strategy set out

The long-awaited Food Strategy for England places food security at the heart of the government's vision for the food system. It takes forward more than half the recommendations made by Henry Dimbleby in his National Food Strategy for England report; many of the recommendations dropped focused on diet, public health and food poverty, such as introducing a sugar and salt tax and expanding free school meals. The government says these recommendations will be addressed by other departments. Mr Dimbleby has been critical and said it is "not a strategy but a list of policies" and warned it could mean more children will go hungry. He said, "it doesn't set out a clear vision as to why we have the problems we have now and it doesn't set out what needs to be done."

The government says its objectives for the strategy are to enable:

- A prosperous agri-food and seafood sector that ensures a secure food supply in an unpredictable world and contributes to the levelling up agenda through good quality jobs around the country
- A sustainable, nature positive, affordable food system that provides choice and access to high quality products that support healthier and home-grown diets for all
- Trade that provides export opportunities and consumer choice through imports, without compromising our regulatory standards for food, whether produced domestically or imported.

A major theme in the strategy is increasing horticultural production to reduce our reliance on seasonable imported crops. The vision is to develop a network of industrial greenhouses which use surplus heat and CO₂ from industrial processes and renewable sources of energy. The government says it will review the planning process to support new developments of glasshouses.

The strategy does not include an ambition to reduce meat consumption. Environment Secretary George Eustice said last week that "rather than lecturing the public on their diet and telling them they shouldn't eat meat, what we should actually be doing is reducing methane emissions from livestock production". The use of innovative feed additives that can reduce methane emissions from livestock will therefore be encouraged. It also does not respond to the three compartment model of land use that Henry Dimbleby advocated to release land for nature restoration. But the government has committed to publish a land use framework in 2023 which will ensure we meet our net zero and biodiversity targets, and help farmers adapt to a changing climate. For more information and our analysis of the strategy please see our briefing note.

Spotlight on Agri-food Sustainability

Our latest [Spotlight on agri-food sustainability](#) looks at the growing influence of sustainability in agri-food supply chains. Our research shows how the buyers of UK farm produce such as processors and retailers are changing their sourcing requirements in response to climate and biodiversity pressures. Key findings include:

- 62% of the UK's biggest food companies have a sustainability strategy; however only 19% provide detail of how they intend to work with farmers.
- 10 of the top 11 biggest supermarkets are engaging with farmers in some way to reduce farm-based emissions within their supply chain, and 73% of the largest UK supermarkets have sustainability groups for farmers.
- In 2021, 77% of UK fruit, vegetable and cereal imports came from countries that have a greater environmental impact than our own.
- The total cost of winter wheat production for harvest 2023 has increased by over 50% compared to 2021.

New slurry infrastructure grants coming

Grants will be made available to beef, dairy and pig farmers to expand slurry storage capacity to six months which will help protect the environment and improve the use of organic nutrients on farms. To achieve six months' capacity, stores that are no longer fit for purpose can be replaced, additional stores can be built, or compliant stores can be expanded. All grant funded stores must be fitted with an impermeable cover, unless the slurry is treated through acidification.

The grant will be part of the Farming Investment Fund and will have a two-stage application process, starting with an online eligibility checker (opening in the autumn) followed by a full application (over the winter). It will fund 50% of eligible payment costs with a minimum grant size of £25,000 and a maximum set at £250,000. Demand is expected to be high as this is the first time a national slurry storage grant has been offered. Therefore, if applications exceed the available budget, those with a higher environmental benefit will be prioritised, such as projects near protected sites. There will be further opportunities to apply for a grant in the future.

Sustainable Farming Incentive opens soon

Defra has confirmed that it expects to open applications for Sustainable Farming Incentive (SFI) standards agreements to all current Basic Payment Scheme eligible farmers in England in late June. There will be no application window; farmers will be given six weeks' notice if for any reason it becomes necessary to stop accepting applications. Full guidance and terms and conditions for the SFI can be accessed [here](#) and if you would like to discuss the scheme in more detail please contact [Georgina Sweeting](#).

Morrisons unveils sustainability incentive for livestock

Morrisons will help its livestock farmers to achieve net zero through a newly launched incentive scheme. The Sustainable Beef and Lamb Scheme will include a number of payment premiums for meat producers who meet sustainability targets, such as at least 10p per kg extra for rearing one type of cattle under 18 months old on a sustainable diet. Other incentives include free advice on sustainable actions including tree planting, landscape assessments, subsidised environmental audits and soil testing. Producers could also be offered a range of discounts on products and services which will help improve farm sustainability.

Last year, the retailer pledged to achieve net zero by 2030 throughout the food manufacturing process. To date, more than 130 beef and lamb farms have already joined Morrisons' net zero agriculture programme, with a further 370 expected to join by the end of the year. Morrisons is supplied by 2,100 beef and lamb farmers in total.

Tesco extends egg supplier contracts

Tesco will begin offering new, five-year contracts to its five shell egg suppliers in order to help them negotiate the growing financial crisis and invest and plan for the future. Feed represents 70% of the cost of production so it will continue to use its poultry feed-tracker pricing model which offers more protection and security than fixed farmgate prices and promotes an open dialogue between Tesco and its suppliers.

Similar announcements have also been made in the dairy sector, with Müller following Arla in announcing another increase in its farmgate milk price for July. Müller Milk and Ingredients has announced a 4.5 pence per litre (ppl) increase to 46ppl, meaning Müller has increased its milk price by 31.4%, or 11ppl, since 1 March. Müller's announcement follows an increase announced by Arla, which took its UK price for a standard litre up by 4.49p to 47.79ppl, and to 54.34ppl for organic milk. The price hike means the co-operative is paying farmers 66%, or 19.01ppl more for a standard litre of milk than it did two years ago in June 2020. Altogether, the GB five-year average price was up 6.1% to 29.86ppl year-on-year in March and is expected to rise further.

Policy

Levelling Up and Regeneration Bill

The Levelling Up and Regeneration Bill is now moving through parliament having completed its second reading in the House of Commons on 8 June. The Bill proposes substantial planning reform in England, a move that proved surprising after the demise of the Planning White Paper. It proposes a significant shift in planning from local control to greater national coordination. The Bill raises the prospect, for example, of elements of recently adopted local plans, or neighbourhood plans being rendered obsolete where any conflicts with national policies arise. The role of the development plan is also to be strengthened, as decisions are to be made consistent with its policies unless material considerations 'strongly' indicate a reason for a decision to depart from it.

A focus on climate change and design policies at the local level is expected, these becoming requirements for local plans. The proposed design codes are to encourage positive planning and focus on the 'building beautiful' agenda set in 2020. Environmental Impact Assessment Regulations are identified for reform to address both the burden of paperwork and process. Environmental Outcomes Reports will instead be prepared to support local plans or planning applications. These should address the extent to which the proposed development would, or is likely to, impact on the delivery of specified environmental outcomes. This includes, where necessary delivering environmental benefits, mitigating adverse effects and compensating for any losses. The industry will look with interest as to whether these reforms will extend to the Habitats Regulations, which are the present cause of much delay in increasingly large parts of England owing to nutrient, recreational and water neutrality.

Once the Bill passes, both secondary legislation and changes to national policy will be required to implement it, so it will take time for its influence to be felt. In the meantime, present planning law and policy continue to apply, notably for example the requirement for all local authorities to have an up-to-date local plan in place by 2023. The transitional arrangements are pivotal to the real ambitions for the speed of change.

The immigration system and agricultural sector

To what extent do the Home Office's immigration functions support the agricultural sector? If you have experience of the interaction between the UK immigration system and the agricultural sector, the government wants to hear from you to inform an independent inspection. It is expected to examine areas such as:

- The effectiveness of the Seasonal Agricultural Worker Pilot
- The extent of engagement between the Home Office and the agricultural sector
- The current suitability of the licencing system for visa sponsorship
- The effectiveness of the Home Office's compliance requirements on sponsors.

The call for evidence will remain open until 20 June 2022, further details are available [here](#).

Reforms to compulsory purchase compensation

A consultation has been launched on reforming compensation offered in the event of compulsory purchase. Of the four principal elements of compensation, the consultation focuses upon the open market value of the interest in land to be acquired. Rule 2 of section 5 of the Land Compensation Act 1961 (LCA 1961) defines this as the amount which the land if sold on the open market by a willing seller might be expected to realise. Under the no-scheme principle, any increases or decreases in the value of the land attributable to the underlying 'scheme' are disregarded. However, allowances are made for value attributed to prospective planning permission, sometimes known as hope value. The government wishes to streamline the process through which a certificate of appropriate alternative development (CAAD) is obtained and ensure valuation decisions based upon it reflect market risk as the current process artificially inflates compensation values by assuming planning permission would certainly be obtained. It has also suggested allowing public bodies to cap land values at their existing use in cases where the public interest can be demonstrated.

Environment & Natural Capital

Budget cut for Landscape Recovery

The importance of private finance in funding nature recovery and rewilding has arguably been strengthened by recent news that the £2.4 billion annual farming budget will not be used to fund the Sustainable Farming Incentive, Local Nature Recovery and Landscape Recovery schemes equally. Instead, the latter is understood to have been allocated just £50 million to fund the 15 Landscape Recovery pilots. Funding for peatland restoration and afforestation will also be available from the £640 million Nature for Climate Fund, but it only runs to the end of this parliament. The change in approach signals a government focus on funding environmental delivery alongside food production, rather than promoting land use change.

Second round NEIRF projects announced

50 projects will receive grants of up to £100,000 to boost investment in nature. The second round of the Natural Environment Investment Readiness Fund (NEIRF) intends to develop projects so they can demonstrate a return on that investment by capturing the value of carbon, water quality, biodiversity and other benefits provided by natural assets such as woodlands, peatlands and rivers. Revenue is expected to be generated through the sale of carbon storage, improvements in biodiversity, natural flood management benefits and reduced water treatment costs. Examples of projects funded include:

- Rewetting lowland peat to grow plant fibre material to use as padding for clothes
- Tree planting, brownfield land regeneration and nature recovery, to address ecological and environmental degradation, with revenue generated through selling biodiversity units to housing developers
- A pilot seagrass carbon code to attract investment in seagrass beds as a carbon sink and biodiversity-rich habitat.

Projects funded by the first round of NEIRF in July 2021 are yielding results: Norfolk Wildlife Trust's Wendling Beck Exemplar Project is about to sell its first credits to fund the transformation of farmland; the North York Moors National Park has calculated the natural capital value of the Esk Valley and is now investigating potential buyers in the region, while Kent Wildlife Trust's Wilder Carbon Standard project is working towards its own carbon standard and legal agreements.

Reform environment rules to boost nature markets

The UK government should establish a voluntary “Nature Positive Commitment” for businesses which would see them purchase biodiversity credits to help offset their environmental impacts. The [Financing Nature Recovery UK](#) report has recommended multiple measures to make the UK “a highly attractive market for nature-based investment to help drive nature recovery”. It states that ““despite billions of pounds of taxpayer money being spent annually on land management and environmental protection, ecosystems continue to degrade, and biodiversity is still being lost” and that a minimum of £44 billion will be needed over the next 10 years to deliver the UK’s nature-related target. A Nature Positive Commitment would “assist UK businesses to overcome the barriers to nature-based solutions, secure a competitively priced pipeline of nature-based projects and prepare for nature-related financial disclosures” according to the report. A further 11 recommendations were made including reform of existing economic and environmental regulations and modernising water quality regulation.

Property & Development

Conversion of barns into homes to become easier

In a speech on housing in Blackpool, Prime Minister Boris Johnson announced that it would be made easier to turn disused agricultural buildings into homes for local first-time buyers, and to support farmers in growing and diversifying their businesses. The government is also going to support self-build and custom-build homes and seek to unlock small sites that are “ideal for the kind of unobtrusive development that communities welcome, with priority for first-time buyers and key workers”. The CLA welcomed the announcements as a major victory for its Rural Powerhouse campaign and called for the Prime Minister to bring forward a robust and ambitious plan to create new growth in our rural communities.

Wales: Renting Homes Act delayed

Originally scheduled to take effect on 15 July 2022, the Renting Homes (Wales) Act 2016 is to be delayed by six months until 1 December 2022. Julie James MS, Minister for Climate Change, said in a written statement “in the light of the unprecedented pressures landlords face, including Covid recovery and supporting those who are fleeing the war in Ukraine, I have decided to postpone implementation of the Act”.

The Act abolishes many of the old forms of tenancy, replacing them with statutorily regulated occupation contracts and introduces a raft of new terminology related to the rented sector. Under the Act, there are two types of landlord; community landlords (local authorities and registered social landlords); and private landlords. Tenants and licensees are renamed ‘contract-holders’, and they will have an “occupation contract” which replaces tenancy and licence arrangements. The Act introduces two types of occupation contract, the Secure Contract for community landlords and the Standard Contract which is the default contract for the private rented sector. The Act will also introduce a six-month notice requirement for a landlord to end a contract where the tenant is not at fault, a minimum ‘security of tenure’ of one year from the date of moving in and tighter rules on retaliatory evictions.

Calls for discussions on coastal community relocation

It is time to start a conversation about the relocation of coastal communities in the face of global warming. Speaking at the Flood & Coast Conference 2022 in Telford, Environment Agency (EA) chief executive Sir James Bevan said that “the hardest of all inconvenient truths, which is this: in the long term, climate change means that some of our communities – both in this country and around the world - cannot stay where they are.” He recognised that relocation would be controversial and set out three elements of the EA’s approach:

1. The first aim will be to ensure that coastal communities remain where they are and thrive, wherever possible.
2. Secondly, it is too early to determine which communities are likely to need to move.
3. Finally, options need to be discussed now to help threatened communities decide upon their long-term future. In that, all the broadest possible range of options should be considered in order to offer communities the best choice possible.

Sir James also used the occasion to launch the EA’s new [Flood and Coastal Erosion Risk Management Strategy](#) roadmap which sets out practical actions that will be taken to tackle the threat of flooding and coastal erosion.

Unfair phone mast rents undermining 5G rollout

The Institute of Economic Affairs argues that the Electronic Communications Code has delayed the 5G rollout considerably by lowering compensation for landowners. Historically, mobile phone mast construction involved the mutual agreement between operators and landowners, who were fairly compensated at market value. Telecom companies can now force landowners to accept mobile masts in exchange for a payment, leading to litigation, ill-will, and delays in reaching agreements. New rules in the Product Security and Telecommunications Infrastructure Bill, which seeks to speed up the legal process around communications masts, have recently been debated by the

House of Lords. A new [briefing paper](#) from the Institute of Economic Affairs recommends the Bill is amended to restore the valuation principles used before 2017 or draft another rule having similar effect.

Warm wallpaper: affordable alternatives to heat homes

A social housing development in Wales is being heated by wallpaper as part of a trial exploring affordable alternatives to radiators and heat pumps. The wallpaper uses graphene and can simply be plugged into a domestic socket to provide heat. It is also packaged with solar panels and a smart battery, meaning it cuts emissions while simultaneously lowering fuel costs. The trial, run by housing association Melin Homes, received funding from the Welsh government's Optimised Retrofit Programme and support from Swansea University.

Business & Economy

Fertiliser plant to close

Fertiliser firm CF Industries will permanently close its Ince manufacturing facility near Chester. The company which manufactures 40% of UK farmers' nitrogen fertiliser needs, says the Ince site has not operated since September 2021 and its restructuring will focus the firm's UK manufacturing operations exclusively at its Billingham site in Teesside. According to CF Industries the Teesside facility is better positioned for long-term sustainability and has sufficient capacity to meet all forecasted domestic demand for ammonium nitrate fertiliser. With no urea production in the UK, Billingham will be the only nitrogen fertiliser factory in the country, so the move will leave UK farmers increasingly reliant on imports for nitrogen and compound fertilisers.

Businesses sign up to new code

A new code designed to ensure that carbon offsets deliver their promised climate benefits has been launched and will be trialled by businesses including Google, Unilever and Hitachi. The Provisional Claims Code of Practice has been developed by the Voluntary Carbon Markets Integrity Initiative (VCMI), an initiative launched to ensure that voluntary carbon markets deliver on carbon sequestration and climate change mitigation promises. The Code will provide businesses with a methodology to assess and classify offsetting claims as gold, silver or bronze standard.

Other Rural News

And finally...

World's largest plant discovered

The largest plant in the world, a seagrass off the coast of Australia, measures some 77 square miles - roughly equivalent to the area of Liverpool. It is believed to have spread from a single seed over at least 4,500 years. Just how do we know it is one single plant? Researchers from the University of Western Australia originally set out to understand the genetic diversity of the species, known as ribbon weed, which is commonly found along parts of Australia's coast. To do so, they took shoots from across the bay and examined 18,000 genetic markers to create a "fingerprint" from each sample. Despite aiming to discover how many plants made up the meadow, they found it was in fact a single plant. What is more astounding is how the single plant can survive the wildly varying conditions across the bay.

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

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