

Food & Farming

Prices improve for cereals

The area of cereals and oilseed rape (OSR) planted has hit its lowest level in more than two decades. AHDB's latest Planting and Variety Survey found a 9% decline in wheat and a 21% decline in OSR. This was only slightly offset by a modest rise in the barley and oat areas (6% and 9% respectively), meaning the overall area has decreased by 5%. Weather has been blamed as the major contributing factor. According to the Met Office, rainfall across the UK from September 2023 to May 2024 was the highest on record since 1836 (1,157mm).

At the same time, the AHDB's market barometer for wheat is bullish looking into the future. Prices peaked at the end of May due to concerns over the volume of Russian wheat that would be coming to the market. However, SovEcon revised its forecast for the Russian 2024/25 wheat crop from 80.7 Mt to 84.1 Mt due to favourable weather conditions and high yields in the south. At the same time, harvests are moving quickly in the Northern Hemisphere, with the US winter wheat harvest 54% complete as of the week ending 30 June. In the UK, prices followed the global trend, with November 2024 UK feed wheat futures finishing at £4.35 per tonne up on 5 July. As for oilseeds, the barometer remains neutral, with the AHDB advising stakeholders to watch future harvest results closely across the globe.

Sewage sludge case in the High Court

An environmental campaign demanding the proper regulation of sewage sludge spreading on farmland has reached the High Court. Fighting Dirty, a group of three environmental campaigners, was granted permission to challenge the Environment Agency's (EA) decision to scrap its commitment to sewage sludge testing. The EA had promised to have the sludge tested after a 2017 report revealed crops in England were contaminated with organic compounds such as dioxins and hydrocarbons, as well as physical contaminants, namely microplastics. Three years later in 2020, the EA published a Strategy for Safe and Sustainable Sludge Use, promising tests would be in place by 2023. However, an updated strategy in August 2023 removed the deadline but provided no replacement. Fighting Dirty believed the EA was therefore reverting to a "do-nothing" position and elected to challenge the decision via the judicial process.

Scotland: Crofting reform consultation

The Scottish government is undertaking a comprehensive consultation process on the reform of crofting. Among the key focus areas are facilitating opportunities for new individuals to enter the crofting sector, promoting effective management of crofts and common grazing, providing support for rural communities and potential enhancements to the powers of the Crofting Commission. Emphasising the importance of efficient and sustainable land use, Agriculture Minister Jim Fairlie outlined the significant cultural heritage associated with crofting and its essential role in shaping Scotland's future. He has encouraged all individuals interested and involved in crofting to participate in the consultation process, either by submitting written feedback or attending the consultation meetings. The consultation will run until 2 September.

Policy

New faces at Defra

Steve Reed was appointed as Secretary of State for Environment, Food and Rural Affairs, having previously held the shadow equivalent since 2023. His appointment, along with that of Daniel Zeichner as the Minister for Food and Farming, follows Labour's recent landslide win in the general election. Reed's priorities include cleaning up rivers, lakes, and seas, moving Britain toward a zero-waste economy, boosting food security, and ensuring nature's recovery while protecting communities from flooding. Zeichner previously held the shadow equivalent of his role and in the past has supported a national action plan on pesticides, local food procurement, EU veterinary agreements and balancing food production with environmental stewardship.

The National Farmers' Union (NFU) president, Tom Bradshaw, met with Steve Reed and Daniel Zeichner expressed his anticipation of establishing strong engagement with the Labour ministers and emphasised the farming industry requires substantial government funding to fulfil environmental targets, ensure food security, and

address other pressing issues affecting the sector. The NFU conducted an analysis and concluded that an annual budget of £5.6 billion is necessary to adequately support and fund agriculture in the UK – a budget which has previously stood at £3.7 billion. The Labour Party manifesto did not provide specific figures for the agricultural budget, suggesting details will follow the spending review in the autumn.

Shadow cabinet appointed

Despite the loss of seats by many big-name Conservatives, key rural positions within the now-Shadow Cabinet are largely unaffected. Claire Coutinho will take up the position of Shadow Secretary of State for Energy Security and Net Zero, having served as Secretary of State for the department since August 2023. Steve Barclay also becomes Shadow Secretary of State for the same role he held in government since November 2023. Kemi Badenoch has switched roles, moving from Business Secretary to Shadow Communities Secretary after Michael Gove stepped down as an MP.

Scotland: Circular economy bill passed

The Circular Economy (Scotland) Bill has been passed, giving Scotland's ministers and local authorities the power to implement various measures to improve the circularity of Scotland's economy. The Act will:

- Set local recycling targets and refresh the circular economy strategy every five years.
- Set specific targets to measure progress in transitioning to a circular economy.
- Prevent quality products from ending up in landfills and restrict the disposal of unsold consumer goods.
- Place charges on single-use items, such as disposable cups, to promote the switch to reusable alternatives.
- Give local authorities additional enforcement powers to stop fly-tipping and littering from cars.

By implementing these measures, Scotland hopes to move from a linear economic model, where goods are bought, used and thrown away, to a model that balances consumption and production with the three "R's" - reduce, reuse and recycle. Approximately 80% of Scotland's carbon footprint is from product manufacture, use, and disposal.

Scotland: Agriculture and Rural Communities Bill

We previously reported on the passage of the Agriculture and Rural Communities (Scotland) Bill, which marks an important step forward in Scotland's transition away from the basic payment scheme as it aims to ensure the Scottish Government can help farmers and crofters produce more food sustainably and support their essential role in climate mitigation and nature restoration. For more information, consult our latest [briefing note](#).

Environment & Natural Capital

Legal Action threatened over badger cull

The Badger Trust and Wild Justice, two anti-badger cull groups, have taken legal action against Natural England. Their concern stems from the government approving supplementary badger culls in 17 existing and nine new zones. In an effort to halt the culling program, they've sent a pre-action letter to both Natural England and the Defra Secretary. The wildlife organisations are jointly instructing solicitors to challenge the government's decision, which could lead to a full judicial review. The effectiveness of badger culling has been thrown into the spotlight with the recent election campaigns. Labour's manifesto branded badger culls as "ineffective". On the other hand, a recent peer-reviewed analysis showed England's current badger control strategy has contributed to a 56% decline in Bovine TB rates following four years of badger culls.

Success of wildflower project

The initial phase of a wildflower project, led by the National Trust, has been a resounding success. It has resulted in a 38% increase in wildflower coverage across the first 90 hectares of the project. The project's goal is to cover 1,200 hectares in Devon by 2030 and increase the number of species-rich grasslands in the UK. The first plots have burst into full bloom, featuring oxeye daisies, birdsfoot trefoil, and viper's bugloss on land that was previously arable just 18 months ago. There have been sightings of brown-banded carder bees and common blue butterflies, as well as birds such as swifts and meadow pipits. The sighting of horseshoe bats was cause for particular excitement due to the recent decline in their numbers.

Wildflower seeds will now be collected from existing sites and used to establish new wildflower meadows across various locations in Devon. The intricate and extensive root systems of wildflower meadows play a key role in enhancing water infiltration and promoting soil stability. As a result, the risk of nutrient leaching is significantly reduced in areas where these wildflowers are carefully cultivated and the risk of flooding is mitigated.

United Utilities can be held accountable

The Supreme Court has ruled United Utilities can be held legally accountable for sewage discharges in a long-running case. In 2010, the Manchester Ship Canal Company claimed discharges from 121 United Utilities sewage outfalls within its networks constituted trespass. In 2012, the High Court ruled in favour of United Utilities, however, this was later overturned by the Court of Appeal before being restored by the Supreme Court in 2014. This ruling stated United Utilities had a statutory right to discharge into the Manchester Ship Canal under the Water Industry Act 1991. Later, in 2021, the High Court ruled it was the role of regulators to address nuisance resulting from the discharge of untreated sewage during storms, not the courts. This was challenged, but the Court of Appeal ruled that a remedy must be sought through environmental regulators.

This most recent decision by the Supreme Court has overturned the two previous rulings of the High Court and Court of Appeal, finding United Utilities can be held to account for the damage caused by sewage discharges. The Court stated the Water Industry Act does not prevent the company from bringing a claim of nuisance or trespass when the canal is polluted by discharges, irrespective of whether negligence and misconduct are to blame or not.

Compensation sought for river pollution

A law firm has started legal action against Avara Foods, seeking compensation for businesses affected by high levels of water pollution. Leigh Day has sent a 'letter before action' to Avara as well as Cargill plc and its subsidiary Freemans of Newent. The letter claims the action of the companies led to excessive phosphorus in the river, as well as odour, noise and insect pollution. It suggests property values were impacted as well as people's enjoyment of the catchment. They are seeking millions of pounds in compensation for businesses in the River Wye catchment.

Doubts remain as to how much poultry farming is to blame for the level of phosphates in the river. A Lancaster University RePhokUs report published in May 2022 suggests as much as a 60-70% contribution. However, industry stakeholders say the report made use of outdated coefficients, leading to a substantial overestimate. Simultaneously, there is a lack of data on the potential contributions of other factors, such as sewage.

Property & Development

Ban on onshore windfarms dropped

Chancellor Rachel Reeves announced the removal of the de facto ban on onshore wind in England, which had been in place since 2015. The National Planning Policy Framework had two footnotes specifically applied to onshore wind development. These footnotes required onshore wind developments to be included in local development plans and mandated that any proposals must have community support. As a result, onshore wind projects faced more challenges than other energy projects. These footnotes have been removed and no longer apply, and onshore wind applications will now be treated similarly to other energy proposals. The changes are effective immediately. Further updates are expected across renewable energy technologies in the future to support the government in fulfilling its manifesto pledges to double onshore wind, triple solar power, and quadruple offshore wind by 2030.

The new chancellor has also announced the reintroduction of mandatory housing targets. She also pledged to build 1.5 million homes over the next five years, as was promised in Labour's election manifesto. To do so Rachel Reeves will create a new task force to accelerate stalled housing sites and oversee the hiring of 300 additional planning officers across the country to support local authorities in achieving the target. Brownfield and grey-belt land is to be prioritised for development and previously rejected planning applications could be reviewed. As well as housing, the chancellor also promised to reform the planning system to unlock infrastructure development. She also promised to set out new policy intentions for critical infrastructure in the coming months, meaning that large-scale energy decisions would be taken nationally not locally. 'Levelling up' as a phrase has also been ditched, with the Department for Levelling Up, Housing and Communities (DLUHC) being re-named as the Ministry of Housing, Communities and Local Government (MHCLG).

Business & Economy

Tractor sales fall

Adverse weather, as well as falling cereal prices and high input costs, are being blamed for a fall in tractor sales. Data from the Agricultural Engineers Association (AEA) shows just 869 units registered in June across all power bands. That is a quarter less than the same month in 2023. A total of 5,882 tractors were sold so far in 2024, 8% below the five-year average and the lowest total seen at this point in the year since 2020. Pressures on arable

margins mean arable farmers, traditionally the main buyers of new machinery, have less capital available for purchases this year. Political uncertainty may also have played a role, with concerns over what a change of government might mean for the future.

UK set to miss EV targets

Whether Labour moves the ban on internal combustion engines forward or not, the UK will still miss targets for electric vehicle (EV) sales. Labour has proposed moving a ban on the sale of new petrol and diesel cars from 2035 to 2030. However, a report by Alixpartners found battery-electric vehicles are currently on track to make up just 44% of new vehicle sales by 2030 and 78% by 2035. The UK government's Zero Emission Vehicle (ZEV) mandate currently requires 80% of new cars and 70% of new vans sold in the UK to be zero emission by 2030. Failure to hit these targets will result in significant fines for vehicle manufacturers. Critics of the report have said as EV prices fall across both new and used models, faster rates of adoption will be seen.

Scotland: Grouse licensing scheme launched

The grouse shooting licensing scheme has now launched in Scotland. The land on which red grouse may be killed or taken must be licenced, whether by walked-up or driven grouse shooting. The licence holder must be the owner or occupier of the land. Applications can be made on behalf of someone else and the licence holder can be an individual or an organisation. Applicants will need key pieces of information to complete the application, including:

- A grid reference within the landholding
- A map showing the landholding boundary and area over which you have the right to kill or take red grouse
- Code of Practice which you must agree to comply with

After acceptance, compliance with licensing and code requirements will be monitored through declarations and the provision of information returns such as grouse bags.

Other Rural News

And finally... Why dinosaurs didn't drink wine

When dinosaurs were wiped out by a mass extinction event around 66 million years ago, quite a bit changed on Earth. One of those changes, according to recent research, was the spread of grapes. The earliest known grape seed fossils were found in India and are around 66 million years old, an age that places their proliferation at a similar time as the extinction of dinosaurs. It is thought the absence of giant dinosaurs meant fewer trees were knocked down in forests, leading to them becoming more crowded and forming layers of trees with an understorey and a canopy. Fossil records then indicate the greater presence of plants that use vines to climb up trees, like grapes. The extinction event also led to the diversification of birds and mammals that could aid in the spread of grape seeds. This latest research has found fossilised grape seeds in Colombia, Panama, and Peru that are between 19 and 60 million years old, quite a distance away from India.

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

Contacts



Andrew Teanby
Associate 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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