

Food & Farming

Direct payments to be paid twice a year

To help support farmers' cashflow, direct payment support will now be paid in two instalments each year for the remainder of the agricultural transition period in England. Critics have pointed out the irony of Defra acknowledging the importance of Basic Payment Scheme (BPS) payments to farmers' cashflow, at a time when the payments are being wound down. Farmers who have made BPS 2022 applications will receive the first payment of 50% from the end of July and the second from December. This announcement forms part of the government's package to support farmers with cost pressures caused by rising demand and geopolitical instability across the globe. With agricultural commodities closely linked to global gas prices, farmers are facing rising costs for manufactured fertiliser, feed, fuel and energy. Due to heightened worldwide demand, by February 2022 the price of gas had quadrupled on the previous year, and with the instability caused by the war in Ukraine, that price has risen further. Output prices, particularly wheat, are also high and analysis published by the Agriculture and Horticulture Development Board underlines that farmers should continue to calculate and apply fertiliser at the economic optimum rate.

Waitrose pledges £16 million to support the pig sector

Waitrose has expanded its support package for pig farmers with a new funding pledge of £16 million to cover the increasing cost of production within the sector. The retailer is committing to covering the full cost of rearing and producing pigs across the 250 pig farms that supply it, including the costs of labour, feed and fuel. Its action will create financial security for its suppliers at a time when the industry's economics mean some producers are being forced out of the sector. The crisis within the pig sector began with the collapse of exports to China and subsequent increase in supply on the European pork market, combined with a chronic shortage of butchers and now, rising production costs. Research from the National Pig Association (NPA) showed that 80% of its members could go out of business within a year due to mounting financial difficulties. The NPA called out Tesco as a key retailer not doing enough for the pork sector, asking the retailer to 'pay a fair price for pork'. The Co-op, Marks and Spencer, Aldi, Asda, Morrisons, Sainsbury's and Waitrose are now all paying more for British pork through their dedicated supply chains. Tesco has since announced an additional £6.6 million of support for its suppliers and says "we know there is more to do, and we will be working with suppliers, farmers and the wider industry to drive more transparency and sustainability across our supply chains and support the future of the British pig industry".

Preparing for sustainable farming in Scotland

Financial support will shortly become available for farmers, crofters and land managers to help them improve awareness of their financial performance. Under the first phase of Track 1 of the National Test Programme, the ability to claim £500 for a completed Carbon Audit will be added to the Rural Payments and Services website in May to early June with the functionality to claim for Soil Analysis added later. Before applicants can claim for the Soil Analysis and Development Payment, they must have a Carbon Audit that aligns to PAS 2050 standards. Further information is available [here](#).

Policy

What does the Queen's speech mean for the rural sector?

The Queen's speech, read by Prince Charles on Tuesday 10 May, announced the government's legislative agenda for the new parliamentary session. There are several pieces of legislation relevant to the rural sector. There will be legislation created to enable the UK to implement its first 'from scratch' Free Trade Agreement in over 50 years. The proposed Australia and New Zealand deals will each remove tariffs on 100% of UK goods exports to those countries, benefiting UK businesses that wish to export. There may be implications from these trade deals for the rural sector in terms of imported food competing with domestic production. A Genetic Technology Bill has also been tabled, which will remove EU-derived barriers to enable the development and marketing of precision bred plants and animals, which the government hopes will position the UK as the leading country in which to invest in agri-food research and innovation. An Animal Welfare Bill will also be introduced to ban live exports of livestock for fattening and slaughter as well as tackle puppy smuggling.

Tenancy Working Group seeks tenant farmers' views

The Tenancy Working Group was created earlier this year to ensure tenant farmers in England can access and benefit from the new Environmental Land Management (ELM) schemes. The working group chaired by Baroness Kate Rock is currently reviewing existing evidence and engaging with farming organisations. It hopes to take a solutions-based approach to ensure these new support schemes work for tenant farmers. The group is keen to hear directly from tenant farmers, and is calling for more to participate in its [online survey](#) to gather views on a range of topics such as access to the three components of ELM and new tree planting schemes. The survey will take around ten minutes to complete and provide valuable information to inform the group's recommendations to Defra. An independent review will be published later this year.

Woodland and Peatland Carbon Code rule changes

The Woodland Carbon Code (WCC) rules on additionality have been strengthened in order to combat concerns that some commercial forestry projects in recent years have tested the limits of the WCC. There has always been an additionality requirement to become verified woodland carbon projects. Additionality means that schemes must result in carbon sequestration over and above that which would have happened if no payments had been made for carbon credits. Under the financial additionality test, a project is only deemed to be additional if it requires carbon income to be financially viable. However, from 1 October 2022, the additionality test will no longer be calculated using the purchase price of land, as there is concern that this is skewing calculations. Instead, published data on income foregone will be used as a measure of the value of the land. The hope is that this change might encourage some investors to add more native and broad-leaf species into planting schemes, in order to justify the need for carbon payments, which would add diversity and resilience into the woodlands. The new measures may temper some of the carbon-driven speculative demand for planting land if proving additionality to unlock access to carbon income streams becomes significantly more challenging. A new version of the [Peatland Carbon Code](#) has also been published along with new guidance. One of the key changes is that restoration work can now start before project validation has occurred, provided sufficient baseline evidence has been demonstrated to the validation body. If you would like to discuss woodland or peatland carbon projects please contact [Jon Dearsley](#).

Environment & Natural Capital

Farmers' form offset trading body

A group of farmers across Hampshire and Wiltshire have formed an offset trading body, called the Environmental Farmers Group (EFG). The body, which is the first of its kind to be formed, comprises 80 farmers and has a common purpose of delivering biodiversity enhancement, clean water in the river Avon, and net zero farming by 2040. The body builds on the efforts of seven existing farmer clusters within the catchment. It aims to utilise the potential of new agri-environment schemes and the potential for environmental trading, all while continuing to produce food. The group reason that having a single body take charge of trading should make negotiating large-scale deals more straightforward, and it also offers the opportunity to benefit from scientific monitoring at scale. Potential customers include developers seeking to overcome eutrophication concerns and comply with demands for biodiversity net gain. The water industry has also expressed interest in working with farmers to cut nutrient loads. The EFG is a farmer led and farmer owned group, chaired by Rob Shepherd, a farmer who leads the Allenford Farmer Cluster to the south of Salisbury. Christopher Sparrow, formerly head of rural at the Duchy of Lancaster, is in charge of securing and negotiating offsetting deals for the group.

Habitat restoration target could require government land acquisitions

Part of the government's proposed nature recovery target is to create or restore in excess of 500,000 hectares of wildlife-rich habitats outside of protected sites by 2042. Experts on Defra's Biodiversity Target Advisory Group have suggested rewilding and state land acquisitions may be required to achieve this. Defra's [evidence report](#) on biodiversity terrestrial and freshwater targets says that meeting the UK's proposed target to halt the decline in species abundance by 2030 'will be extremely challenging and will require a rapid step change in action'. The experts stressed that more emphasis needed to be placed upon biodiversity in planning policy and stronger policies are needed on the use of chemicals on land which pose a risk to the environment. State-led acquisition of land was suggested as being of critical importance in order to achieve biodiversity targets, but the experts agreed that it would require a significant societal shift.

Creating a new Scottish National Park

The Scottish government has committed to create at least one new National Park by 2026 and is now seeking views on what people value about Scottish National Parks, and what these areas should deliver in the future. Following an initial [consultation](#), communities, local government and organisations will be encouraged and supported to develop proposals for new parks. There are at least 10 communities or groups which have in the recent past expressed interest in National Park status, the current consultation will help develop a framework for the government to assess proposed areas.

Savills GWCT Game and Conservation Benchmarking survey

Want to know how your shoot's environmental and financial performance compares with your peers, and identify areas for improvement? Our industry leading game and conservation benchmarking is now running. All participants in our confidential survey receive a unique detailed benchmarking report which contains analysis tailored to the size of your shoot. Click [here](#) for more details and to access the e-survey.

Property & Development

Scotland's private rented sector looking down the barrel of change

There is concern that a new Bill going through the Scottish parliament – the Coronavirus (Recovery and Reform) (Scotland) Bill - could have a serious impact on landlords of residential rental properties. During Covid-19, all grounds for eviction of a tenant were temporarily made discretionary. This Bill seeks to make this change permanent and a tribunal would be asked to rule on a landlord's desire to remove a tenant and reclaim vacant possession. This would mean that a tribunal will not have to automatically remove tenants, even if the tenant has failed to comply with conditions set out in their tenancy, including unpaid rent. It would also be up to the tribunal's discretion to decide whether a landlord wanting to live in the property could regain the property from a tenant who is no longer an employee, or if the owner wishes to sell the property. This reduced flexibility could affect their ability to provide a home to new farm or estate workers and therefore impact their ability to attract staff. Scottish Land and Estates, the Scottish Association of Landlords and NFU Scotland are warning that this legislation could lead to a substantial loss in the value of a property where a landlord could not regain vacant possession.

Business & Economy

Charitable trusts can prioritise climate change outcomes

A landmark High Court ruling has confirmed that trustees of charitable trusts are allowed to prioritise the climate change outcomes of their investments even if it risks reducing financial returns. Mr Justice Michael Green approved the investment policies of the Ashden Trust and the Mark Leonard Trust, affirming that charity trustees can align their investments with the goals of the Paris Agreement on climate change even where this involves financial risk by excluding large parts of the market. Bates Wells acted for the claimants and said that the decision reinterprets the principles established in the 1992 Bishop of Oxford case, which did not consider climate change but concluded at the time that charity trustees should maximise return on their investments and ought not to take into account moral considerations that could cause financial detriment to the charity – except in supposedly 'rare' circumstances where an investment directly conflicts with the charity's purposes or indirectly conflicts with its work. The new ruling redefines the fiduciary duty of charity trustees in a way that is in line with broader socio-political objectives of the 21st century, and could have a very significant impact as charities in England and Wales hold over £150 billion in long term investments.

Other Rural News

And finally...

World sheepdog records smashed

Malta Gin, a two year old fully trained sheepdog from a breeder in Lancaster, has broken world sheepdog records by selling for £29,600. Malta Gin was bought at an online sale hosted by Farmers Marts (R.G Jones) Dolgellau, and sold to Courtney Riley from Lancashire. Another record was broken at the sale as Kim Jn, an 11 week old pup from E. Vaughan, Staffordshire, was sold for £11,600. Mr Vaughan donated the money from the sale to the Ukrainian appeal. Across the sale, the average price for a trained dog was £2,955, for a partly trained dog it was £1,075 and for a pup the average price was £834.

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Landscape | Issues shaping the future of rural estates, agriculture and land management

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