

Food & Farming

Fairness needed in the pig sector

Between July and October 2022, Defra conducted a public consultation exploring contractual practice in the UK pig sector. Having analysed the results, it has concluded there are legitimate concerns about the nature of business relationships in the sector. The consultation showed that of all the supply chain participants, farmers who were independent producers were least comfortable sharing their experiences via the consultation, mainly due to fear of commercial retaliation. Other findings included:

- Nearly a quarter of producers (24%) are using verbal sale agreements and a further 24% have written agreements that are updated verbally
- 41% of respondents strongly disagree and 23% disagree with the statement that their sale agreements are always honoured (not collecting contracted pigs and failure to honour prices were common issues)
- 89% of respondents either agree or strongly agree that all sale agreements between producers and purchasers should be covered by a written agreement
- 88% of respondents believe that processor consolidation has hindered the position of farmers.

The results demonstrate clear demand for a legislative solution, and evidence of a popular sentiment that legally required written contracts would remove the uncertainty and ambiguity that has underlain recent issues. As a result, the government has committed to regulate pig contracts to support the supply chain and provide greater certainty and fairness across the whole sector. It will also develop regulations to collect and disseminate more supply chain data, particularly in relation to wholesale price transparency and national slaughter numbers. For both these actions the government is using supply chain powers that it created via the Agriculture Act 2020. The concerns relating to the impact of processor consolidation on market competitiveness will be shared with the Competition and Markets Authority.

Avian influenza risk lowered

The risk of highly pathogenic avian influenza has been reduced from 'high' to 'medium' in captive birds, meaning 'events occur regularly'. The frequency of new infections has started to slow. The risk level will remain 'low' for poultry where good biosecurity is applied, whereas the level for wild birds remains 'high', meaning a new case 'occurs very often'.

Control measures were implemented to reduce the impact of the world's biggest ever bird flu outbreak; in the UK alone, over 330 cases have been confirmed and four million birds culled within the past year. Since 1 October 2022, there have been 150 cases in England, 21 in Scotland and six in Wales. Most recently (13 April), a highly pathogenic case was identified in commercial poultry at a premises near Leven, East Riding of Yorkshire. A three kilometre protection zone and a 10 kilometre surveillance zone have been put in place around the premises.

As part of the easing of biosecurity measures, the mandatory housing order was relaxed on Tuesday 18 April in England and Wales. The order has been in place since November 2022. Birds can therefore be kept outside unless they are within a protection zone or captive bird monitoring controlled zone. The virus can be found in faeces, carcasses and feathers and live for around 50 days, longer still in damp conditions. Keepers are therefore being advised to take sanitary measures before releasing their birds, such as disinfecting hard surfaces, fencing off bodies of water and establishing wild bird deterrents.

The mitigation strategy for avian influenza in wild birds in England and Wales has also been updated. Updates include:

- Signposting to the online reporting tool for dead wild birds
- The outcome of risk assessments on game bird release, waterfowl and game shooting, and carcass removal
- Establishment of the Defra-Welsh Government Avian Influenza Wild Bird Recovery Advisory Group and linked stakeholder groups
- Advice on feeding wild birds.

Scotland: Changes to bovine tuberculosis compensation

Compensation will be reduced for any unclean cattle slaughtered for bovine tuberculosis (TB) control purposes in order to encourage increased focus on animal health and welfare. A new definition for isolation will also be introduced and compensation will be reduced for cattle which are not properly isolated.

Farmers bringing cattle into Scotland from 18 May will also face tighter controls to reduce the risk of TB; these include stricter pre-movement testing of cattle and adding extra precautions for animals coming from areas of higher risk of infection. The new pre-movement testing requirements apply to cattle coming to Scotland from a TB high incidence area, including those coming from a low incidence TB area that have been in a high incidence TB area during any point in their life. Eligible cattle will then require a clear pre-movement test within 30 days prior to the movement, a reduction from 60 days. Additional changes also mean that a negative TB test in a herd under movement restrictions will no longer be accepted as a qualifying pre-movement test, even if the test allows these restrictions to be lifted.

Average farm income in Scotland increases

The average farm income in Scotland has risen to its highest level since 2012, after adjusting for inflation. The average farm income was estimated to be £50,000 in 2021-22, an increase of over £11,000 on the previous year. The increase means the average farm would have been profitable without subsidy support for the first time in at least a decade. Even so, the average farm business only made a profit of £5,100 from agricultural, contracting and diversified activities and 56% of farms would still have made a loss in 2021-22 without support.

The results showed dairy farms performed particularly strongly, due to increased milk prices. Cereal farm income reached record highs thanks to high wheat and barley output. Total input costs increased 6% to £225,200 for the average farm, yet this figure does not account for more recent price volatility. The data is provided by the Farm Business Survey, an annual survey of approximately 400 commercial farms with economic activity over £20,000. Farms which do not receive support payments, such as pigs, poultry and horticulture, are not included in the survey.

Policy

Defra's Plan for Water – Slurry and Water grants

Defra's Plan for Water intends to deliver 'clean and plentiful water' for people, businesses and nature. To do so, the plan outlines several initiatives, such as using funds collected through water company fines and penalties for pollution to establish a Water Restoration Fund. The fund will support local projects which hope to re-meander rivers (see our 'And finally' article) and restore natural habitats. The new plan also launches a Lowland Peat Research and Development programme, which aims to identify ways to reduce emissions from peatlands.

Strong interest in the Slurry Infrastructure grant scheme has led the government to more than double the allocated funding to £34 million. Over 1,200 applications were received for the first round of the grant and 374 projects were invited to submit a full application in March. The grant will provide farmers with between £25,000 and £250,000 to build, replace or expand storage and can contribute towards a range of solutions such as lagoons, ring tanks and large slurry bags. The funding covers 50% of current market costs of the upgrade. There are plans to run two larger rounds; one in autumn and the other in 2024.

April will also see the second round of Water Management grants open for applications. Arable and horticultural businesses growing irrigated food crops, ornamentals or forestry nurseries in England are eligible to apply, provided they own the land or have a tenancy agreement in place until five years after the project will be completed. In total £10 million of funding is available to fund on-farm reservoirs and better irrigation equipment. Demand is expected to be high so funding will be awarded to the highest scoring applications. The online checker will open later in April 2023 and require applicants to submit business information, project information, items required and an estimate of total cost. If successful, the Rural Payments Agency will invite a full application for assessment. Grants between £35,000 and £500,000 are available, covering up to 40% of the cost of the project. The application window is expected to run until mid-July.

If you would like to discuss the Slurry Infrastructure grant or Water Management grant please contact [Georgina Sweeting](#).

Environment & Natural Capital

National Park launches credit scheme

The South Downs National Park Authority is introducing a scheme to deliver nature-based solutions. The ReNature Credits scheme intends to connect landowners and developers to encourage private finance streams that will fund habitat restoration, woodland creation and wildflower meadows. The park authority will provide a brokerage service allowing developers to buy credits for meeting their nutrient neutrality and biodiversity net gain obligations. Carbon offsetting may be added in the future. It is hoped the scheme will lead to the creation of 13,000 hectares of new habitats; a call for sites saw landowners register dozens of sites for potential large-scale nature recovery projects.

People's Plan for Nature

Nature should be included in all public decision-making and its recovery should be prioritised in farming. That is the conclusion of the People's Plan for Nature, which is a UK-wide initiative powered by the National Trust, the RSPB and WWF UK. The plan is based on a citizens' assembly involving 100 people from around the UK and 30,000 responses to an open call asking what people love about nature and how it might change in future. The most popular suggestions included that all commercial and policy decisions should include an assessment of the impact on nature and that farming subsidies should be overhauled to prioritise sustainable practices. Respondents also said the government should be held to account for its actions via a nature assembly made up of NGOs, industry and public experts.

Property & Development

Development unlocked in the Tees catchment

Developers in the Tees catchment area will be able to apply for nutrient credits in the coming months. The first site in Natural England's Nutrient Mitigation scheme has been launched, meaning developers in the area can apply to pay money to mitigate nutrient pollution. The cost for one nitrogen credit in this first round has been set at £1,825; one credit mitigates for one kilogram of nitrogen. The next rounds are due to open in July and October 2023, followed by a further opening in 2024. Natural England has already invested in the land that will provide the credits in the Tees catchment and expects the investment will unlock the construction of up to 1,600 homes this year. It is developing mitigation sites in other catchments too, whilst elsewhere local authorities or private landowners are also developing mitigation sites. If you would like to discuss nutrient neutrality offsets, please contact [Julia Pound](#).

Scotland in floating solar first

Scotland's first array of floating solar panels is set to be installed this year. Scotland's First Minister, Humza Yousaf, toured the Nova Innovation facilities in Leith, Edinburgh, where the panels are being manufactured. Nova Innovation was also responsible for the world's first offshore tidal turbine array off the coast of Shetland in 2016. The company has since received £6.4 million from the Scottish National Investment Bank (SNIB) in 2021 to help boost its production of innovative renewable energy generators.

Buccleuch complete Langholm Moor sales

Buccleuch Estates has completed the sale of the remaining 11,390 acres of Langholm Moor, known as Blackburn and Hartsgarth, to Oxygen Conservation. The decision to sell the 22,000 acre estate was undertaken in 2019 and followed by a period of extensive community consultation as outlined in the Scottish Land Commission's good practice protocol. During this period, two local groups, The Langholm Initiative (TLI) and Newcastleton and District Community Trust (NDCT), came forward to declare an interest in purchasing areas of the Moor. 760 acres was sold to NDCT in 2020, 5,200 acres to TLI in 2021 and a further 5,246 acres to TLI in 2022, before Oxygen Conservation declared an interest in the purchase of the remainder. Benny Higgins, executive chairman of Buccleuch, said Oxygen Conservation's work will "build upon and enhance the environmental work undertaken over the years by Buccleuch".

New investment in connectivity

All populated areas will be covered by 'standalone' 5G by 2030 if new plans laid out by the government come to fruition. Standalone 5G, also known as 5G-plus, will receive £40 million of a £150 million package to boost take-up, with up to £100 million pledged to put the UK at the forefront of future research. The Wireless Infrastructure Strategy will provide an additional £8 million to connect remote homes and businesses through a satellite connectivity programme. This £8 million is expected to deliver high-speed broadband to up to 35,000 of the UK's most remote properties. Under the scheme, remote properties that are unable to be connected to gigabit-capable broadband will be given funding to link to satellites. This connection will provide a broadband connection up to ten times faster than what is currently available. The UK is due to hit 75% gigabit broadband coverage this month, up from just 6% in 2019, and is targeting 99% by 2030.

Business & Economy

Stricter control of short term holiday lets

Homeowners in England will need planning permission in some areas to convert properties into holiday lets if proposals in a new [consultation](#) are implemented. As a result, local planning authorities would gain more control to help ensure affordable housing remains available to local people in tourism hotspots.

A planning use class would be created for short term lets not used as a sole or main home, alongside new permitted development rights, which will mean planning permission is not needed in areas where local authorities choose not to use these planning controls. To allow some flexibility in areas where the policy is implemented, it is also suggested a cumulative allowance of 30-90 days a year could be permitted before a homeowner would need to apply to change the property's primary use to a short term let. The consultation closes on 7 June 2023.

The government has also committed to introduce a short term lets registration scheme and is running a second [consultation](#) to refine its plans. Feedback is sought on three high level approaches, with the main differences being whether or not the scheme is voluntary or mandatory and whether it is administered nationally or by local authorities. The consultation also closes on 7 June 2023.

Other Rural News

Funding boost to capture renewable energy

The nature of renewable energy generation means supply rarely matches demand. Energy storage technology helps to smooth out the peaks and troughs, maximising the amount of renewable energy being used by the electricity grid throughout the year, whilst storage on-site can allow a business to use more of the power it generates rather than exporting it at low payment rates. Batteries and pumped hydroelectric are perhaps the most familiar storage technologies, others include compressed air in caverns, large flywheels, elevated weights and sand batteries. To help develop energy storage options three projects have been awarded a share of £30 million by the government. They are:

- Synchrostor, Edinburgh, which will receive £9.4 million to build a Pumped Thermal Energy Storage plant (PTES)
- Invinity Energy (UK) Limited, Bathgate, which will receive £11 million to develop and manufacture its 7MW, 30MWh 4-hour Vanadium Flow Battery (VFB)
- Cheesecake Energy Ltd, Nottingham, which will receive £9.4 million to test its FlexiTanker technology which stores electricity using a combination of thermal and compressed air energy storage.

And finally...

Giving salmon some wiggle room

Atlantic salmon have begun breeding again after a river was "rewiggled". Swindale Beck in Cumbria was artificially straightened more than 150 years ago, with Victorian engineers believing the process served to alleviate flooding. The process often only deferred the flood until further downstream, but also served to speed up the water flow, stopping salmon from laying their eggs in the fast moving waters. In 2016, work was conducted to return a kilometre of the river to its winding route. Since then, the number of salmon has gradually increased, with 20 counted this year. It is hoped the return of salmon will benefit other wildlife in the area, such as kingfishers, goosanders, otters and foxes.

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

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