

Food & Farming

Strong interest in Defra's agricultural exit scheme

Three-quarters of tenant farmers say they are seriously interested in the proposed lump sum payment exit scheme, which demonstrates the appetite for a retirement scheme in the industry. As part of the Agricultural Transition, Defra plans to offer farmers the chance to take their remaining direct payment income as a lump sum in 2022, provided they exit the industry. Detailed proposals for how the scheme might operate have not yet been published, meaning such significant interest in a lump sum of capital is perhaps unsurprising. Indeed, over three-quarters said the as-yet-unannounced value would be an important deciding factor for them. Other important considerations included tax implications (68%), readiness to retire (50%), finding suitable alternative housing (34%), their relationship with their landlord (27%) and finding alternative employment (21%).

Overall 360 farmers were surveyed. Half of those interested in the scheme rented their land on traditional, Agricultural Holdings Act tenancies with security of tenure. Most of the interest came from the South West of England. Just over 40% of the respondents agreed that the proposed lump sum exit scheme would be their only opportunity to retire from agriculture, and that the scheme would allow land liquidity to increase and create more opportunities for new entrants and progressive farms to contribute to a sustainable agricultural industry. Detailed proposals and a consultation are due to be published by Defra in March. In addition to the decision making factors raised by the tenants, ultimately its success will depend upon the practicalities of achieving what is required to prove an exit from the industry given the short time frame in which the scheme will be available. Cooperation between the parties will be key where a tenant wishes to apply to the scheme.

61% vote to discontinue the AHDB horticulture levy

The majority of respondents (61%) to the Agriculture and Horticulture Development Board (AHDB) horticulture levy ballot voted to end the levy, with overall voter turnout at 69%. Support for the levy was strongest amongst tree fruit, soft fruit and mushroom growers, and weakest amongst nursery, protected ornamentals and field vegetable growers. In addition to the differences of opinion between crop types, analysis by independent company UK Engage showed if the results are weighted according to the value of levy paid, those voting for its continuation represent 57% compared to 43% of the income voting no. Jack Ward, chief executive of the British Growers Association, described the result as a vote for change and highlighted that sectors like soft fruit which have the most potential to develop new market opportunities supported the levy whilst mature markets such as field vegetables where UK producers already have high market shares did not. NFU horticulture and potatoes board chair, Ali Capper said "many growers feel either disappointed or disengaged with how their levy is being spent. It will also be a disappointing result for those that see the importance in the principle of a statutory levy and the value that applied research and development can deliver for their businesses. This shows just how divided levy payers have become and makes it critically important that ministers consider carefully how to respect all sides of the debate". The result has been passed to government ministers for a decision on what happens next; they are not bound by the ballot. A separate ballot on the future of the potatoes statutory levy is underway and closes on 17 March.

Beef traceability trial

Could DNA feasibly be used to allow consumers to trace their beef back to the specific farm and animal of origin? An AHDB pilot is investigating the potential for a DNA traceability system throughout the UK's complex beef supply chain. If successful it will give consumers greater transparency around livestock farming and animal welfare as well as the ability to confirm the provenance of products served up in foodservice and manufacturing sectors in the UK. The new UK National DNA Traceability Initiative is a collaboration between the AHDB, the Association of Independent Meat Suppliers, British Meat Processors Association and the NFU. IdentiGEN is the DNA traceability specialist that will deliver the service.

Farming Innovation Pathways competition launched

The Farming Innovation Pathways project will help translate leading research into practical agricultural techniques that can directly benefit farmers. Aimed at developing new and existing farm-focused innovations, it will act as a bridge between the final stages of the Transforming Food Production programme and the launch of the Defra Research and Development Innovation package in 2022. The Transforming Food Production programme has

already facilitated advancement in areas such as insect farming, sustainable livestock feed, agricultural robotics and autonomous growing systems. The [Farming Innovation Pathways](#) will be the first competition of its kind following the UK's departure from the EU. In total £12 million is available to fund feasibility studies and industrial research.

COVID-19

Labour's post Covid-19 plan

Labour has called for the creation of a British Business Recovery Agency to “help businesses get back on their feet, secure our economy and get Britain on the road to recovery”. Businesses have accumulated a total of £71 billion in debt through government backed loans during the Covid-19 pandemic. Analysis by Labour claims that 850,000 businesses are at risk of closure in the next three months, putting 2.4 million jobs at risk. In response, it proposes to ease the debt burden by creating a new British Business Recovery Agency to manage the Covid-19 support loans. It also wants to see Bounce Back Loans modified to use a “student-loan style” repayment arrangement so that payments are only made once a business is making profit again. Labour leader Sir Kier Starmer also proposed offering 100,000 business start-up loans and creating a British Recovery Bonds scheme, which would allow households that have accumulated savings during lockdown to invest in the UK's recovery.

Make VAT cut permanent

The Country Land and Business Association (CLA) is calling for a permanent cut in VAT for rural tourism enterprises. According to its analysis, cutting VAT from 20% to 5% for rural tourism firms with a turnover of up to £500,000 would add £4.5 billion to the economy over 10 years. It would also help to level the playing field with popular European destinations, including Greece (13% VAT), France (10% VAT) and Spain (10% VAT). Lower prices should increase demand and create more jobs in the UK.

It is estimated that Covid-19 has already cut spending on domestic tourism by £50 billion. The losses are set to continue as Easter bookings are cancelled due to the current lockdown and enduring pandemic. A fifth of respondents to the Cut Tourism VAT campaign said removing the temporary VAT reduction after 31 March would force them to cut 20% of their workforce. A further 44% say they will have to reduce employee numbers by between 5 and 20%. This equates to 310,000 jobs, and that is in addition to those already lost as a result of the pandemic.

Pests and mould thrive in lockdown

A survey by the National Trust has shown that lockdown has allowed pests and moulds to thrive in historic properties as closures and fewer staff on site have created ideal conditions. To tackle the issue the heritage organisation is trialling a new natural control method. At Blickling Hall in Norfolk, microscopic parasitoid wasps are being released to lay their eggs in moth larva to stop them reproducing. The Trust is also planning to use specially prepared moth pheromone tabs to disrupt adult moth mating. These work continuously to spread female pheromones, confusing male moths and reducing their chance of finding a mate. Blickling Hall is thought to be the birthplace of Henry VIII's second wife Anne Boleyn. It holds numerous vulnerable treasures including a tapestry gifted by Catherine the Great in the 1760s and a counterpane that is likely to be one of only two surviving pieces of Queen Anne's throne canopy.

Policy

ELM – Is greater ambition, flexibility and simplicity achievable?

In 2020, the government consulted the public on how the Environmental Land Management (ELM) scheme might work. The consultation received 1,672 responses which in turn identified a number of common themes:

- Widespread support for design principles but a desire to see greater ambition
- A wish for flexibility in the calculation of payments, including different payment mechanisms and a blend of public and private finance
- Poor previous experience and concerns over complexity are barriers to participation
- A need for advice, particularly during the pre-application and application process
- Support for self-assessment, especially through photos or apps
- Significant support for its Tests and Trials.

The first phase of the ELM Sustainable Farming Incentive pilot will launch this spring. It will build on the findings of the 69 Test and Trials which are currently underway.

Environment & Natural Capital

Improved Countryside Stewardship scheme opens

The new Countryside Stewardship (CS) scheme is now accepting applications for agreements starting in 2022. Defra has explained that it has broadened the options available and simplified applications. There are new options to help improve air quality, reduce ammonia emissions, improve water quality and increase the advice available from catchment sensitive farming officers. There are also new wood pasture options for upland areas, as well as improved woodland options. The woodland creation and woodland maintenance grants have been combined. There are an increased number of capital items that farmers can apply for, covering water, hedgerows and air quality. There is also an improved capital grant offer, with 67 options available which can sit alongside a CS Wildlife Offer.

Within these additions, there is a clear focus on principles included in both the Environment Bill and Agriculture Act – addressing air and water pollution and making woodland creation easier. Defra has stressed that farmers are advised to enter a CS agreement now in order to benefit from Environmental Land Management (ELM) once it is fully rolled out in 2024. Farming Minister Victoria Prentis said “we are guaranteeing that anyone who enters a new CS agreement will be able to leave early in order to join the ELM scheme once fully rolled out in 2024, so there is no reason not to apply today”. Applications for Capital Grants and Higher Tier close on 30 April 2021, whilst Mid Tier and Wildlife Offers close on 30 July 2021. There are earlier deadlines for requesting application packs and for seeking support from a Catchment Sensitive Farming Officer for any capital items which require their approval. Find out more about CS and other opportunities in our Natural Capital Funding Opportunities Briefing Note. Savills Food and Farming consultants are experienced in providing advice on CS and understanding options available to a land manager. Please contact [Stuart Nicholls](#) if you would like to discuss applying for CS.

Private sector investment in nature

The £100 million Natural Environment Investment Readiness Fund (NEIRF) aims to stimulate private investment and market based mechanisms that improve and protect England's natural environment. It will achieve this by providing competitive grants of between £10,000 and £100,000 to help projects get ready to attract private investment. Not-for-profit organisations, charities, businesses and public bodies such as local councils and national park authorities are eligible to apply. Central government departments, executive agencies and non-departmental public bodies cannot submit bids but can be involved as partners. Projects need to be replicable and scalable, and are required to publicise their work to help develop and promote private investment models. Eligible projects might include new woodlands, peatland restoration, wetland creation, improving biodiversity and the restoration of river catchments. Find out more about the NEIRF and other opportunities in our Natural Capital Funding Opportunities Briefing Note. Applications to NEIRF can be submitted up until 26 March, please contact [Jon Dearsley](#) if you would like to discuss the scheme.

Property & Development

Overhaul demanded for Green Homes Grant

The Environmental Audit Committee warns that the sluggish rate of uptake of the Green Homes Grant scheme means it would take another 10 years to meet the 600,000 home target. 95% of the £1.5 billion pot provided for householders in England to make their homes less carbon intensive remains unspent due to long delays. Some householders have been waiting nearly five months for the grants to be approved. Installers say they have had to lay off staff because they are owed tens of thousands of pounds by the scheme.

The scheme has been extended to March 2022. However, when asked if any underspend in the first tranche of the £2 billion green homes grant programme to March 2021 would be rolled over to the next financial year, business minister Anne-Marie Trevelyan said the scheme was a “short term stimulus”. Only £320 million will be made available in 2021-22; equivalent to the withdrawal of hundreds of millions of pounds from the scheme. The funding was a central component of the 10 point plan for a green recovery, touted as creating 100,000 jobs while reducing household bills and slashing emissions. The government has placed the blame at the feet of the pandemic. Yet industry bodies have blamed the administration of the scheme. The Microgeneration Certification Scheme and Solar Energy UK said they had been told there were 100,000 applications made under the Green Homes Grant but only 20,000 vouchers had been issued. The government said there were closer to 75,000 applications and over £100 million has been issued for home upgrades.

Business Rates review delayed

The final report of the government's fundamental review of business rates in England will now be published in the autumn, when there is more economic certainty. An interim report summarising the consultation responses will still be published in March. The fundamental review aims to reduce the overall burden on businesses, improve the system and consider fundamental changes for the medium-to-long term. One of its areas of focus is to explore alternatives to business rates, in particular how land and property are taxed.

Other Rural News

And finally...

You have mail... from spinach

Scientists have engineered spinach plants which are capable of sending emails. By using carbon nanotubes, engineers have transformed ordinary spinach plants into sensors capable of detecting explosives. When the spinach roots detect the presence in groundwater of nitroaromatics, a compound often found in explosives, the nanotubes within the plant leaves emit a signal. That signal is detected by infrared cameras which can then wirelessly transmit the information back to the scientists as an email. While the purpose of this experiment was to detect explosives, lead researcher Michael Strano believe it could be used to warn us about pollution and other environmental conditions. In the early phases of plant nanobionic research, he enabled plants to detect nitric oxide, a pollutant caused by combustion.

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