

Food & Farming

Farm funding update

The government is investing over £45 million across three funds to enhance food security in England. On 5 May, two competitions will launch under the Farming Innovation Programme:

- The first competition, with a budget of £12.5 million, will support collaborative research to reduce on-farm emissions, promoting sustainability in farming practices.
- The second £12.5 million competition will finance research on precision-bred crops that increase yields, reduce chemical inputs, and improve disease resistance.

Starting on 28 April, applications will open for the new Accelerating Development of Practices and Technologies (ADOPT) competition, which offers up to £20.6 million in funding for 2025/26. The Full ADOPT grant supports on-farm trials and demonstration projects designed to foster the adoption of innovative solutions within the agricultural sector. These projects must have total costs between £50,000 and £100,000. Farmers, growers, or foresters may also be able to benefit from the ADOPT Facilitator Support Grant of £2,500. This funds the use of an external Project Facilitator to help prepare their submission for the Full ADOPT Grant competition.

Arla to merge with Germany's largest dairy coop

Arla Foods and DMK Group, Germany's largest dairy cooperative, have announced their intention to merge and create Europe's largest dairy cooperative. This merger will unite more than 12,000 farmers under one cooperative. The combined entity is expected to achieve a pro forma revenue of €19 billion, significantly enhancing the scale of both organisations. The two companies have a history of collaboration, including the joint venture ArNoCo, which processes whey from DMK's cheese production into whey protein concentrate and lactose for Arla's global ingredients business. Peder Tuborgh, CEO of Arla Foods, said the merger is a natural continuation of their strong partnership.

Scotland: farm income falls in 2023-24

According to the Scottish Government, average farm incomes in Scotland decreased by 51% in 2023-24, reaching £35,500, the lowest level since 2019-20. This decline is attributed to three main factors:

- A notable decrease in agricultural output prices following exceptionally high levels in 2022-23.
- Adverse weather conditions reduced production.
- Input costs that did not decline as quickly as output prices.

Cereal and milk price declines resulted in income reductions for arable and dairy farms. While average incomes for arable, dairy and mixed farms remain the highest among all farm types, 31% of these farms are loss-making. Livestock farms, representing 60% of farms, continued to experience losses on average. Lowland cattle and sheep farms experienced the largest income drop, falling by 87%, with 68% being unprofitable.

Policy

Former NFU President to lead Farm Profitability Review

Defra has appointed Baroness Minette Batters, former NFU President, to lead a review of farm profitability in England. The review will examine how farmers can reduce barriers to profitability, increase profits and manage their risks to improve financial resilience - this includes embracing innovation, enhancing productivity, expanding market access and employing risk management tools. Additionally, it will consider how the supply chain can better support farm profitability through greater transparency and cooperation, ensure a fairer distribution of risks, rewards and responsibilities, and determine whether there are other activities farmers can undertake to support profitability.

The review is expected to inform the development of the Food Strategy, Farming Roadmap and Land Use Framework, which are expected later this year. Baroness Batters has until 7 October to complete her review and present recommendations for improving farming profitability as part of the government's New Deal for Farmers.

Martyn's law: What does this mean in a rural context?

The Terrorism (Protection of Premises) Bill, known as Martyn's Law, has received royal assent. Named after Martyn Hett, who died during the Manchester Arena attack in 2017, the Bill started its legislative journey in 2019, following a petition campaign spearheaded by his mother, Figen Murray. Martyn's Law will require staff at all UK venues with a capacity of more than 200 to undergo evacuation training. Sites with over 800 people would need extra measures such as CCTV or security staff.

Whilst the Bill mainly targets public venues and events, it may have implications for some rural businesses if land or buildings are used to host public events, activities or qualifying events. It is important to note the Bill applies to ticketed events only – for invitation events, such as weddings, the law does not apply. However, such venues may still be deemed “qualifying public premises” under the Bill. This means they would then need to comply with the requirements of the Bill to conduct terrorism risk assessments and implement security measures on-site. Workers may need to be provided with terrorism protection training, and any “qualifying public premises” will be subject to an additional inspection and information regime to comply with the requirements of Martyn's Law. Our recent article on [visitor attractions](#) briefly discusses Martyn's Law whilst reporting how visitor attractions are performing.

Rural England Prosperity Fund

A second round of the Rural England Prosperity Fund (REPF) has been announced, offering £33 million to support rural businesses and community infrastructure. REPF directly replaced the EU's LEADER grant scheme, supporting community facilities and rural economic development projects. Despite the £33 million allocation being lower than previous amounts, it is consistent with broader cuts to the Shared Prosperity Fund, from which the REPF is distributed.

REPF will provide capital funding to support rural businesses in developing new products and facilities that will benefit the local economy. This includes farm businesses looking to diversify income streams. However, REPF's guidance specifies the funding must not be used for farming equipment or infrastructure or to diversify within agriculture. If you would like to discuss a potential REPF project, please contact our [Food and Farming](#) or [Tourism, Leisure and Events](#) teams.

Environment & Natural Capital**Scottish Government enforces deer cull for the first time**

The Scottish Government has used its legal power under the Deer (Scotland) Act 1996 to impose a compulsory deer management control scheme for the first time to mandate a deer cull on Loch Choire Estate in Sutherland. This decision, approved by Agriculture Minister Jim Fairlie, aims to protect the delicate blanket bog habitats at four Sites of Special Scientific Interest from damage caused by excessive deer grazing. NatureScot, Scotland's nature agency, intervened after failing to reach a voluntary agreement with the estate's owners. The owners now have 28 days to appeal the decision. In 2023, NatureScot culled 160 deer on the estate due to unmanaged populations, with the deer processed for venison.

The aim is to reduce the deer density from 14 deer per square kilometre to 7.5 over the next five years. If the estate fails to comply, NatureScot may carry out the cull and recover the costs, with potential legal repercussions for the owners. Robbie Kernahan, NatureScot's director of green economy, stressed the detrimental effects of high deer numbers on various habitats, including woodlands and peatlands. He highlighted the agency's preference for voluntary cooperation but noted intervention powers would be used if necessary.

More work is needed on Dartmoor SSSIs

Natural England has unveiled a detailed review on managing Dartmoor's Sites of Special Scientific Interest (SSSIs). The review underscores the importance of enhancing ecosystems, collaborative planning and promoting sustainable farming practices, recognising the dynamic nature of land management and the necessity for ongoing research and field trials. Recent surveys revealed all the SSSIs on Dartmoor are currently in an unfavourable condition, largely due to over- and under-grazing, excessive burning, peat cutting, drainage, nitrogen deposition and climate change.

The review states that addressing only one of the issues affecting Dartmoor's SSSIs will not be effective. Instead, a concerted, multi-faceted approach is necessary for improvement. It notes much of the evidence supporting effective solutions for the quality of SSSIs comes from smaller, more manageable areas than Dartmoor. The review highlights that gaining control over Dartmoor's unfenced moorland to achieve improvements is a challenging task, so a holistic approach that is compatible with viable farm businesses is needed. Two-year

extensions are being offered for existing Higher Level Stewardship agreements whilst plans for the Environmental Land Management scheme develop.

England's non-woodland trees mapped

All trees outside of woodlands in England have now been mapped using satellite and laser technologies. The project, led by the government's Forest Research agency, determined these trees, which can be defined as single trees in urban and rural areas, make up nearly a third of England's tree cover. The data collected as part of the project can now be combined with existing data on tree assets in England, painting a complete picture of the tree canopy in England. Forestry Minister Mary Creagh said the tree "census" would help the government understand the current tree cover in England and identify where it was best to create nature-rich habitats.

Property & Development

Generating heat from mine water

A mine water heat project aims to provide low-carbon heating to 750 homes at the Seaham Garden Village development in County Durham. It will harness geothermal heat from disused mines, upgrading it to domestic heating levels via a heat pump. Construction began in March 2025, with an energy centre to provide heating to homes and a new primary school, village centre and innovation hubs within the village. The initiative is part of a broader effort to repurpose Great Britain's former coalfields for sustainable energy solutions. The project has recently been visited by the Parliamentary Under-Secretary of State for Housing and Local Government, Baroness Sharon Taylor of Stevenage. It has received significant support, including a £4.3 million grant from the government's Heat Networks Investment Project. For more information, contact [Amelia Macdonald](#) in our Energy and Infrastructure team.

Permission for "megafarm" refused

Councillors have rejected proposals for a "megafarm" in Norfolk due to environmental concerns. The plan, which would house approximately 714,000 chickens and 14,000 pigs, faced opposition from local residents and environmental groups, with over 15,000 objections submitted. The issues raised included the potential effects on local wildlife, water resources and the landscape. Livestock producer Cranswick, the applicant, stated the redevelopment of an existing farm would improve productivity and animal welfare. Council planning officers emphasised the necessity of preserving the natural environment in the area and maintaining sustainable farming practices. They said the applicants had not supplied sufficient information to prove there would be no significant adverse effects, especially given the proximity to several European protected sites.

Scotland: Decarbonising homes

The Scottish Government plans to introduce a revised Heat in Buildings Bill later in 2025, setting a new target for decarbonising heating systems by 2045. The revised Bill will also develop requirements for large, non-domestic premises and grant powers to require public sector buildings to connect to district heating when available. Finally, the Bill will set minimum energy efficiency standards for owner/occupier and non-domestic properties, with regulations for the private rented sector to be progressed under existing powers. The proposed Bill will aim to remain technology-neutral, reflecting that different properties and people will require different solutions, noting that clean heating solutions in rural areas may vary from urban areas.

Business & Economy

£6.5 billion investment in hydrogen fuel

A consortium of British companies has introduced Project HySpeed, a green hydrogen initiative with a projected investment of £6.5 billion into the UK economy and an estimated creation of 24,300 jobs. Key participants in this initiative include Centrica, JCB, Johnson Matthey and National Gas. Project HySpeed aims to increase the UK's hydrogen production capacity to 1GW by 2030, targeting a reduction of carbon dioxide emissions by one million tonnes annually. The project plans to establish regionally targeted hydrogen production hubs to help decarbonise industries and support local economies. These hubs will also integrate into the national gas grid. The consortium's strategy involves grouped procurement of equipment, bulk energy purchasing and innovative financing structures to lower the cost of clean hydrogen.

This project and the involvement of companies like JCB could be important for agriculture. In 2023, we explored diesel alternatives in our [Future of Farm Fuels](#) report and concluded that "Hydrogen can deliver much that farmers have become accustomed to with diesel. However, the infrastructure for hydrogen remains underdeveloped and expensive". At that stage, biomethane appeared to be a better contender. However, projects such as HySpeed could tackle some of the barriers we saw to hydrogen use.

Other Rural News

And finally... A sea slug loses its head

If a scientist is studying a creature that is then decapitated, it might be considered a bad day at the office. So spare a thought for the Japanese scientist who discovered the sea slug in their lab had decapitated itself. They expected the slug to wither away without its vital organs, yet it somehow grew a whole new body. How? Using solar power. Sacoglossan sea slugs exhibit kleptoplasty, a trait in which some species can adopt the photosynthetic power of plants by eating algae and incorporating their cells into their tissues.

Attempts to replicate this feat and create photosynthesising animal cells in the lab date back to the 1970s, yet Japanese scientists have finally achieved it. By introducing photosynthetic properties into animal cells, the team hopes to create cells that consume less oxygen and emit less carbon dioxide. Previously, this was impossible because chloroplasts could not survive at 37 degrees Celsius. The animal cells would reject them as foreign material even if they could. Professor Sachihiro Matsunaga at the University of Tokyo says this recent achievement could have immediate applications in medical research and lab-grown meat production.

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