RESEARCH

INSIGHT AND ANALYSIS ON RURAL NEWS

Landscope

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Rural – UK – 24 June 2026

Food & Farming

What does the Iran peace deal mean for farming?

The United States and Iran signed a Memorandum of Understanding on 17 June 2026 to halt the conflict that began in February. The nations agreed to a 60-day ceasefire, sanctions relief and the reopening of the Strait of Hormuz. Brent crude fell below $83 a barrel after the announcement. However, analysts warn that the full normalisation of energy and fertiliser flows could take months due to mine clearance, stranded tankers, and elevated war-risk insurance premiums. There have also been warnings that the peace will come too late to avoid elevated food prices. Over the weekend, Iran claimed to have closed the Strait of Hormuz again, whilst peace talks in Switzerland were described as "productive". On Monday, 22 June, vessels were moving, but significant uncertainty remains.

For UK farming, fertiliser costs remain the main pressure. In April, prices were almost 40% above pre-conflict levels, with urea at £635 per tonne and imported ammonium nitrate at £535 per tonne. Before the ceasefire, the NFU published a Fertiliser Resilience Plan calling for direct government support if ammonium nitrate reaches £500 per tonne, covering up to 70% of additional costs capped at £50,000. It also called for postponing the introduction of the Carbon Border Adjustment Mechanism and for greater market transparency through the AHDB. Support is more forthcoming in other regions with the European Commission setting out a €1.5 billion package to protect EU harvests, including €540 million in direct EU funding to help farmers purchase fertiliser. Member States would be able to add up to 200% in national funding. Whilst in Australia, the government has secured 340,000 tonnes of urea fertiliser as part of a $7.5 billion Fuel and Fertiliser Security Facility.

Westminster debate on food security

A Westminster debate on UK food security will be held after being secured by Isles MP Alistair Carmichael, chair of the Environment, Food and Rural Affairs (EFRA) Select Committee. More than 60 MPs have signed up to take part, reflecting growing concern over the issue. Rising fuel and fertiliser costs linked to conflict in the Middle East, alongside wider geopolitical tensions and land-use debates, are placing pressure on the sector, highlighting how critical food security is for farmers, food producers and consumers alike. The EFRA committee explains that food security has long been under-prioritised, but the Covid-19 pandemic and the invasion of Ukraine have demonstrated its importance to national resilience. The debate is expected to call for stronger support for agriculture and local produce, amid concerns over climate change and increasing risks of supply disruption.

Gene-edited food labelling challenged and the EU votes

A High Court ruling has prompted renewed scrutiny of England's gene editing framework, following a legal challenge brought by Beyond GM. The court found Defra failed to properly assess the consequences of removing labelling and traceability requirements under the 2025 precision breeding regulations. The judgment concluded that the minister was misadvised on legal powers. As a result, options such as mandatory labelling were not fully considered and the decision-making process was flawed. The regulations were therefore judged unlawful, with the framework now subject to further legal consideration.

The uncertainty comes at a time when gene editing is increasingly gathering momentum in the UK. As our Food Beyond Today Spotlight explores, 69% of UK adults strongly support, and 80% of Gen Z (born between 1997 and 2012) support using gene editing to create a sustainable and resilient future for British farming, as revealed by a British Sugar survey. British Sugar has also recently secured a further £1.1 million in UK government grant funding to progress research into how gene editing can support resistance to the sugar beet disease, Virus Yellows. The Spotlight also mentions a gene-edited barley developed by Rothamsted Research being trialled on farms in England.

Separately, the European Parliament has approved a new framework for gene-edited crops, clearing the final legislative hurdle to allow cultivation under "new genomic techniques". The regime introduces a two-tier system - conventionally equivalent crops face streamlined approval with limited downstream labelling, while more complex varieties remain subject to GMO rules, including traceability and mandatory labelling. The EU's new system broadly mirrors the arrangements in England for precision-bred crops; our differing positions on gene editing had been highlighted as a challenge in negotiating the EU-UK Sanitary and Phytosanitary (SPS) Agreement, so greater alignment is likely to benefit the negotiations.

Policy

Further information on the Sustainable Farming Incentive

Defra has confirmed further details on the new Sustainable Farming Incentive (SFI), with applications opening from 30 June 2026. Window 1 is limited to small farms (3–50 ha) and farms without an existing ELM revenue agreement, with up to £60 million available. Window 2

opens in September 2026 to all farmers and land managers, drawing on the balance of the £240 million budget for new agreements. There are currently 39,000 live SFI agreements, backed by £560 million in funding per year. To avoid a repeat of SFI24's abrupt closure, Defra has committed to publishing budget updates on its farming blog as 25%, 50%, and 75% of the budget is allocated in each window. At least £50 million is also available for new Countryside Stewardship Higher Tier agreements this year. Longer-term ELM funding beyond 2026/27 remains unclear. For more information on the SFI26, see our briefing note.

New Defra farming minister appointed
Stephen Morgan MP has been appointed Minister of State at the Department for Environment, Food and Rural Affairs following Dame Angela Eagle's move to be Security Minister for the Home Office and Cabinet Office. He has been the Labour MP for Portsmouth South since 2017 and has previously served as a government whip and Minister for Early Education. Stephen Morgan has pledged to support a green economy, protect the environment and strengthen rural and coastal communities. Now that Sir Kier Starmer has set out the timetable for his resignation as Prime Minister, a full cabinet reshuffle is likely once his successor takes up the post.

Update to England's bovine TB strategy
Defra has welcomed a new expert-led strategy aimed at achieving Officially Bovine TB-Free status in England by 2038, the first refresh in 12 years. Developed by an independent steering group of farmers, vets, scientists and the government (chaired by farmer John Cross), it contains nearly 40 recommendations across three areas - keeping the focus on cattle (where most spread occurs), acting on wildlife and other species only where they pose a clear risk, and strengthening local, vet-led decision-making.

Headline measures include the deployment of a cattle vaccine and accompanying test by 2030, more risk-based and sensitive testing to catch infections earlier and monthly TB risk scores for every cattle herd to inform trading decisions. Badger culling will be phased out; the 2025 season was the final year of industry-led culling in High Risk and Edge Areas, with badger vaccination expanded via a new Field Force, though culling remains available "in very exceptional circumstances". TB prevalence in England's herds has fallen from a peak of 6.4% (March 2018) to 3.5% (December 2025), but over 20,000 cattle were still slaughtered in 2025, costing taxpayers around £100 million.

Environment & Natural Capital

Scotland: Forestry Grant Scheme budget update
Scottish Forestry has confirmed an indicative Forestry Grant Scheme (FGS) budget of £58.65 million for 2026/27, up £5.65 million on the £53 million confirmed for 2025/26, and forming part of Scottish Forestry's overall £87.7m budget settlement. The uplift remains well below the recent £77.2 million peak in 2023/24, but follows joint lobbying from Confor and the Woodland Trust Scotland to restore funding levels.

The increase is focused on woodland creation and will support up to 12,000 hectares in 2026/27, with budget categories simplified so that all applications of 50 hectares and above (including reduced-grant-requirement proposals) fall under a single category. A further £300,000 has been redirected to support woodland expansion through natural regeneration and £100,000 has been added to the Sustainable Management of Forests Native Woodlands budget to strengthen native woodland management.

Scottish Forestry has also confirmed that funding for new Harvesting and Processing applications remains available, with an additional 2026 application round for projects to be completed by 31 March 2027 and a submission deadline of 31 July 2026. The grant supports up to 40% of the capital investment in small-scale harvesting, processing, and nursery equipment. If you would like to discuss forestry grant support, please contact our forestry team.

Severn Trent opens farm grant scheme
The Severn Trent Environmental Protection Scheme (STEPS) 2026 opened for applications and runs until 11 December 2026, offering grants and adviser-led support to farmers in around 60 priority catchments across eight counties. The scheme funds practical changes that protect rivers, streams, groundwater and boreholes while improving farm performance. Severn Trent says it has simplified the 2026 options to make them easier to navigate.

Funding sits across six core objectives: soil health, soil structure, watercourse protection, applying inputs in the right place at the right time, working in harmony with livestock, and keeping soil and nutrients in the field, plus a single Farmer Innovation option for bespoke projects outside the standard offer. Examples include 50% up to £5,000 for soil chemistry testing or low-disturbance tillage equipment, 50% up to £12,000 for a pesticide handling and biofilter area (10-year agreement), £150 per hectare annual livestock placement payments (four years), £300 per hectare for herbal leys (four years), and £600 per hectare for "3D" enhanced field margins.

Property & Development

Overhead pylons are still the lowest-cost option
Two new Department of Energy Security and Net Zero commissioned studies, published on 12 June 2026, conclude that overhead lines remain the cheapest way to upgrade Britain's transmission network. A Ramboll report examined innovative undergrounding methods (cable ploughing, horizontal directional drilling, micro-tunnelling, and others) for 20km and 50km routes at 275/400kV, while a parallel Deloitte study reviewed international experience. Together, they find undergrounding is, on average, 3.5 to 5 times more expensive than overhead lines, broadly consistent with the Institution of Engineering and Technology's April 2025 finding of a 4.5x lifetime cost differential.

Ramboll identified scope to cut undergrounding costs - cable ploughing could reduce total project costs by 20–40% vs traditional "cut and cover" methods, with civil works alone falling by 66–72% under suitable conditions. However, cable materials remain a major fixed cost, so even the cheaper methods do not close the gap with overhead lines. Deloitte's international review pointed to Germany, where the 2015 decision to prioritise underground High-Voltage Direct Current has added cost and delay, with the regulator now estimating that reverting to overhead lines through to 2045 could save up to €35 billion, alongside criticism from farmers over soil damage.

Energy Minister Michael Shanks said the findings confirm overhead pylons are "the fastest, most cost-effective and often most environmentally friendly" way to rewire the grid, with the government's starting presumption remaining overhead lines (and undergrounding the presumption only in nationally designated landscapes). For more information on infrastructure, consult our Spotlight.

Planning committee reform

On 1 June 2026, the Ministry of Housing, Communities and Local Government published its response to the consultation on the national scheme of delegation (NSD) and committee size limits under the Planning and Infrastructure Act 2025. Final regulations will be made in July and come into force on 31 October 2026 (a month later than first proposed), with committees capped at 13 members and mandatory member training introduced.

The NSD creates a two-tier structure: Schedule 1 applications (householder, minor residential/commercial, non-material amendments, some reserved matters) must be decided by officers; Schedule 2 applications default to officers unless a "gateway test", applied jointly by the Chief Planning Officer and a nominated member, finds significant economic, social, environmental or material planning issues. Reserved matters for more than dwellings of over 50,000 square metres can still go to committee, and Section 73 applications follow the route of the original permission. Non-compliance from 31 October risks judicial review of any decision that should have been delegated, and a mandatory review of the new regime is due by 31 October 2028.

Business & Economy

Changes to filing accounts

The government has announced reforms to the filing of company accounts to implement measures set out in the Economic Crime and Corporate Transparency Act 2023. It will result in the following changes:

- Small and micro companies will need to file profit and loss accounts, although they may choose not to make them public.
- All companies will be required to submit annual accounts using commercial software.
- The option to file abridged accounts will be removed.
- Companies claiming audit exemption will need to provide a stronger eligibility statement.
- All parts of accounts and reports will have to be filed together.
- Companies will face tighter limits on how often they can shorten their accounting reference period.

To give companies more time to prepare, the reforms will now take effect from April 2028 rather than April 2027. This provides 21 months' notice, covering a full accounting year plus the nine-month filing period. Companies House will contact companies through their registered email address.

Livestock farmers welcome abattoir charges ruling

A High Court ruling has found elements of the Food Standards Agency's (FSA) charging regime for meat inspections to be unlawful, including the main hourly rate, the enforcement rate, and the supporting cost data. The court concluded that the charges lacked sufficient transparency and included costs not lawfully recoverable, such as certain administrative and governance activities. The judgment requires the FSA to revise how inspection costs are calculated, with associated rates expected to be quashed and restructured.

The outcome coincides with the conclusion of an FSA consultation on a revised financial support framework for abattoirs, including proposals to rebalance inspection charge discounts toward smaller operators - the FSA said the proposals would provide a 90% discount on regulatory charges for all the smallest abattoirs in England, Wales and Northern Ireland. Larger abattoirs will no longer be eligible for support. The Rare Breeds Survival Trust has welcomed reform but argues that the proposed limits risk removing support from many viable small and medium abattoirs, and calls for higher thresholds to sustain local processing capacity.

Electric car sale target to be slashed

The government is expected to water down the Zero Emission Vehicle mandate, cutting the target for fully electric cars from 80% of new sales by 2030 to up to 50% (reports suggest 50–70%). The 2030 ban on new petrol and diesel cars and the 2035 end date for new hybrids remain, with the gap expected to be filled by more hybrid sales. Battery electric vehicles made up 27.3% of new registrations in May, below this year's 33% mandate. Carmakers and Unite have lobbied hard on job risks, while charging operators and EV-only brands warn that a further weakening of the mandate could stall infrastructure investment. A formal consultation is expected shortly.

Other Rural News

And finally... Wrap your Wagyu in wool

A moment of ingenuity during the 2001 foot-and-mouth crisis has evolved into a thriving rural business success story. When tasked with finding a way to transport meat by post, packaging designer Angela Morris discovered that sheep's wool outperformed synthetic materials in keeping produce cool. This simple but effective idea led to the creation of Woolcool, a business specialising in sustainable, temperature-controlled packaging. Today, the company has grown significantly with a turnover of £16 million in 2025, supplying the food and pharmaceutical sectors with wool-based insulation that offers both performance and environmental benefits. The innovation highlights the often overlooked potential of natural materials, particularly British wool, in modern supply chains.

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