

Food & Farming

Further funding for farmers and foresters

Growers will be able to apply for a share of £850,000 when Defra's Research Starter competition opens on 30 January. The competition has several aims:

- Investigate methods to improve productivity, sustainability, resilience and move existing agricultural sectors towards net zero
- Prioritise solutions that have positive outputs for growers in commercially relevant situations
- Accelerate the development of new solutions by working with end-users and collaborating with the wider UK research community.

The competition is a two-stage process with the first stage being an expression of interest. Applications must be submitted by 11am, 8 March 2023. If the expression of interest is successful, independent support will be offered to help complete a full application for grant funding. Detailed project costs are not required until the second stage. The total cost of the project must be between £28,000 and £56,000; 50-70% of eligible project costs will be supported, with smaller organisations receiving the highest rates.

Vaccine for pollinators approved

A vaccine for honeybees has been approved for use by the US government for the first time. The US Department of Agriculture (USDA) has granted a conditional licence for a vaccine to help protect honeybees from American foulbrood disease. The disease is caused by a bacterium called *Paenibacillus* and is found in up to a quarter of all hives in parts of America. The vaccine works by incorporating some of the bacteria into the royal jelly that is consumed by the queen bee. The developing bee larvae produced by the queen then have immunity to foulbrood as they hatch. In the future, scientists envisage feeding the queen a number of vaccines to protect against several common diseases.

The development comes as scientists estimate as many as 500,000 early human deaths are caused by pollinator losses each year. Declines in these insects causes reductions in the yields of healthy foods like fruit and vegetables leading to poorer diets and increased disease in people. Research considered death from heart disease, strokes, diabetes, and some cancers, all of which can be reduced with healthier diets. It is the first study to quantify the human health toll of insufficient wild pollinators.

Beans in toast

Scientists at the University of Reading are trialling the inclusion of broad bean (faba or fava bean) flour in bread to improve its nutritional quality and sustainability credentials. Broad bean flour can both substitute for the existing use of soya flour in bread and replace some of the wheat flour. It improves the protein, fibre, iron and nutrient content of the bread. The approach aims to improve nutrition without people needing to change their diets. At present UK produced dry faba beans are generally used for livestock feed or exported to the middle east and north Africa for human consumption.

Policy

Scotland: Energy Strategy and Just Transition Plan

The Scottish Energy Strategy foresees a rapid increase in renewable energy generation. The document, originally expected last year, aspires to 20GW of additional renewable electricity onshore and offshore by 2030. It also proposes the production of "surplus electricity, enabling export of electricity and renewable hydrogen to support decarbonisation across Europe". The strategy does not go so far as to announce an end to oil and gas exploration, instead asking whether the Scottish government should support a presumption against new licences and the wider phasing out process. Other proposals include:

- Accelerated decarbonisation of domestic industry, transport and heat
- Hydrogen to provide 5GW or the equivalent of 15% of current energy needs by 2030 and 25GW of hydrogen production capacity by 2045
- Establishment of a national public energy agency – Heat and Energy Efficiency Scotland.

The same consultation is also seeking views on the Just Transition Plan, published alongside the draft Energy Strategy. This aims to maintain or increase employment in the energy production sector, despite a decline in North Sea production. Similarly, the plan proposes “maximising the use of Scottish manufactured components in the energy transition, ensuring high-value technology and innovation”. [Consultation](#) on both documents is running until April.

Phytophthora pluvialis restrictions to be lifted

Restrictions on the felling and movement of timber affected by *Phytophthora pluvialis* will be lifted. *Phytophthora pluvialis* is a fungus-like pathogen affecting a variety of tree species, including western hemlock, Douglas fir, tanoak and several pine species. It can cause needle cast, shoot dieback and lesions on the stem, branches and roots.

Research has shown the risk of the disease spreading via the movement of timber and wood materials into other sites is low. Restrictions are currently in place on affected sites in Cornwall, Devon, Cumbria, Herefordshire, Surrey, Gloucestershire and Shropshire. The new demarcated area notices will no longer restrict the felling and movement of susceptible timber and wood material but will continue to restrict the movement of plants for planting.

Environment & Natural Capital

Net Zero review published

A government review of its net zero ambitions has delivered 129 recommendations. Chris Skidmore, the head of the review, said “as essential as net zero is environmentally, it also puts us at an economic advantage globally” and called it an “historic opportunity”. The Mission Zero report is based on more than 1,800 responses from businesses and climate experts covering a range of sectors and industries.

Proposals affecting the residential sector:

- Provide certainty by 2024 on the new and replacement gas boiler phase out date to provide confidence in addition to a legislative target for gas free homes and appliances by 2035
- All homes sold to be EPC C by 2033 with exclusions around certain properties
- Urgently reform EPC ratings to create a clearer, more accessible Net Zero Performance Certificate (NZPC) for households
- Government should mandate landlords to include ‘average bill cost’ alongside EPC rating.

Proposals affecting renewable energy and associated infrastructure:

- Pave the way for onshore wind development
- A “rooftop revolution” for solar to help hit 70GW by 2035
- A strategic framework and delivery plan for the crucial networks of the future to turbocharge onshore and offshore development.

Proposals affecting land use:

- Publish a Land Use Framework as soon as possible, and no later than mid-2023
- Nature-based solutions should be encouraged
- Environmental Land Management schemes should be laid out in detail this year
- Calls for a biomass strategy.

Other proposals affecting rural Britain and reliant industries:

- Stimulate the circular use of resources, including the implementation of Extended Producer Responsibility using powers within the Environment Act 2021
- A timeline for the expansion of the UK emissions trading scheme to the rest of the UK economy, including methods to mitigate the risk of carbon leakage.

The review has been criticised for some notable omissions. For example, it makes little to no mention of how homeowners might be encouraged to upgrade the energy efficiency of their homes. There are recommendations on eco-labelling and a CO₂ calculator for consumers but no recommendations aiming to change consumer behaviours. For a more detailed summary of the review read our Rural Research Briefing Note.

Phosphate pollution pledge from poultry producer

The UK’s largest chicken producer will not contribute to excess phosphate in the river Wye by 2025. Avara Foods made the pledge after Natural Resources Wales admitted that manure is causing harm to waterways with pollution

being caused by the "spreading of manure from intensive poultry units". Two million chickens are processed at Avara Food's factory in Hereford every week. The firm says 160,000 tonnes of manure is produced annually by its 120 supply farms in the catchment area. The company is aiming to increase the amount of chicken manure sent out of the area and processed by digesters; up to 600 tonnes will be processed each week if the company fulfils its pledge. The company and its supplier farms are already achieving results. In its action plan, Avara Foods said it had successfully reduced the amount of phosphate in its chicken feed by 27% since 2016.

Shaping land use in the UK

A Green Alliance report calls for the government to incentivise agricultural practices that could contribute to the UK's target of being net zero by 2050 rather than rely more heavily on carbon capture technology to achieve the target, which would cost up to £100 billion more. The think tank puts forward five land use scenarios that aim to restore nature, achieve net zero carbon emissions and provide good food utilising the UK's farmland.

Scenarios include reducing yields to make space for nature, farmland being used for high yield farming or bioenergy and avoiding the use of greenhouse gas removal technology by limiting residual farm emissions and creating large areas of semi-natural habitat. The recommended scenario by Green Alliance is an approach that balances food, nature and climate action by prioritising agroecological farming over high-yield farming and supporting farmers to restore their least productive farmland to semi-natural habitats.

The report concludes there would need to be a change in the ways that land is currently used; estimating around 10% of the least productive land would need to be used alternatively to reach the government's target of net zero by 2050. Suggestions include planting new woodlands, restoring peatland and creating other nature-based solutions to meet the new legally binding targets.

Suspended sentence for SSSI damage

A farmer has received a suspended prison sentence for illegally grazing cattle on a Site of Special Scientific Interest (SSSI) in Devon. He pleaded guilty to two offences at a hearing brought by Natural England in November 2022. One offence related to his occupier obligations under the Wildlife and Countryside Act, the other a breach of a stop notice. The 76-year-old was sentenced to 16 weeks in prison, suspended for 12 months, and will pay Natural England's costs amounting to nearly £74,000. Natural England was made aware of unpermitted winter grazing on the Whiteleigh Meadows SSSI in December 2020 and served a stop notice in February 2022. The site is estimated to need two years to recover from what the judge called "deliberate and flagrant disregard".

Property & Development

Scotland: Eviction ban to remain

Private sector residential rent rises will be capped at 3% and evictions remain banned under Scottish government plans. The Scottish government will seek a six-month extension to the emergency Cost of Living (Tenant Protection) Act which expires on 31 March 2023. Subject to the approval of Parliament, the Act will:

- Allow landlords to increase rents by up to 3%
- Allow landlords to apply for increases of up to 6% in defined and limited circumstances
- Prevent the enforcement of evictions except in specific circumstances
- Apply increased damages for unlawful evictions of up to 36 months' worth of rent.

Energy-efficiency holds value

Energy efficient homes are holding their value despite challenging market conditions. Nationwide reports average UK house prices fell by 4.3% during the last four months of 2022. However, a survey by the Royal Institution of Chartered Surveyors shows energy efficient homes are defying this trend. Six out of ten estate agents believe energy efficient homes are holding their value and four in ten believe there is greater interest amongst buyers in the energy efficiency of properties.

The reasons are two-fold. Prospective landlords are increasingly avoiding poorer performing housing stock because it appears highly likely that all newly rented properties will require an Energy Performance Certificate rating of C or above from 2025, with further regulation in the future (see "Net zero review"). Tenants and homeowners are also conscious of the soaring cost of energy and are increasingly willing to pay a premium for a property that will minimise running costs.

Business & Economy

Energy costs "will kill off small firms"

Ministers have confirmed an 85% decrease in financial support for energy costs. A maximum support package of £5.5 billion will be implemented from April, down from an estimated £18 billion over six months this winter. James Cartledge, the exchequer secretary to the Treasury, said it was “not sustainable” to continue what was “one of the most generous packages in Europe” with national debt standing at close to £2.5 trillion. The Federation of Small Businesses (FSB) say the plans will be “catastrophic” for small businesses, who will be unable “to survive on the pennies provided”.

Moving forwards the scheme will provide a maximum discount rather than a price cap. A business that fixed at 75p per kilowatt hour (kWh) has been paying 21.1p per kWh thanks to the current cap. On the same fix, the business will be paying 73p per kWh from April. The FSB’s own research estimates two-thirds of businesses will receive a total of £200 in support on average. It also believes 24% of small businesses will need to drastically restructure, shrink their businesses or shut down without the current level of support.

Big increase in food imports from Ireland

The UK’s food, drink and horticulture imports from Ireland increased in value by 20% in 2022. Figures released in an annual Bord Bia Irish export report showed a near €1 billion year on year increase in Irish food and drink export value to the UK to €5.4 billion (£4.7 billion). Whilst inflation played a role in increasing the total value, the underlying volume increased too. In value terms, the UK remains the largest single market with a third (32%) of Ireland’s exports undertaking the short journey across the Irish Sea. Another third (34%) goes across the EU and the final third (34%) to international markets.

Growth was particularly strong for dairy products where exports to the UK increased by 39% to £1.05 billion and marked a return to pre-pandemic trading patterns. The UK now accounts for 19% of Irish dairy exports. Sales of Irish beef and sheep meat to the UK both increased by 15%. The UK is Ireland’s main customer for beef, taking 45% of its export volume. Donal Denvir, Bord Bia general manager in the UK said, “the strong trading performance of Irish exports once again demonstrates that Ireland continues to be a consistent, reliable and secure partner of the UK food and drink industry”.

Wind farm profits for wider public good

Profits from six new offshore wind energy leases will go to the “wider public good”. The agreements announced by The Crown Estate are thought to be worth in the region of £1 billion per year. The king receives 25% of The Crown Estate’s annual surplus, including an extra 10% for the refurbishment of Buckingham Palace, and so the leases would have led to a notable increase in income for the monarchy. A Buckingham Palace spokesperson said, “In view of the offshore energy windfall, the keeper of the privy purse has written to the prime minister and the chancellor to share the king’s wish that this windfall be directed for wider public good, rather than to the sovereign grant, through an appropriate reduction in the proportion of Crown Estate surplus that funds the sovereign grant”.

Other Rural News

And finally... Beaver activity plays it part in Ukraine

As the war in Ukraine grinds on fears have been growing of an attack from Belorussia and through the Volyn region to the north of Kyiv. The attack is being made less likely due to miles of burst river banks, thick mud, and waterlogged fields which have rendered the terrain impassable. Serhiy Khominskyi, spokesman for the Volyn territorial defence, said “When the beavers build their dams normally people destroy them, but they didn’t this year because of the war, so now there is water everywhere”.

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

Contacts



Andrew Teanby
Associate Director
ateanby@savills.com
+44 (0) 1522 507 312



Emily Norton
Head of Rural Research
emily.norton@savills.com
+44 (0) 207 016 3786

This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.