

Food & Farming

Need for an Agricultural Tenancies Bill debated

The Tenant Farmers Association (TFA) has called for the government in England to introduce an Agricultural Tenancies Bill to implement the outstanding recommendations that the Tenancy Reform Industry Group (TRIG) made in 2017. Those recommendations included:

- Allowing tenants to counter notices to remedy which do not require work to be done
- Reforming game damage procedures
- Encouraging more third-party determination of disputes
- A statutory mechanism for Agricultural Holdings Act (AHA) tenancies to be converted to fixed-term assignable tenancies.

Some changes have been introduced by the Agriculture Act 2020, however the TFA says these are insufficient. TFA chief executive George Dunn said “It has been over 25 years since the introduction of Farm Business Tenancies (FBT) through the Agricultural Tenancies Act 1995 and it is quite clear they are not working to produce the farm businesses or environmental sustainability we need at this time”. The TFA also argues that up to half of tenant farmers may be excluded from new government schemes that look to develop markets for carbon and biodiversity offsets. This is because the right to challenge certain restrictive tenancy clauses in the Agriculture Act only applies to AHA tenancies and not FBTs. as most respondents to the government consultation did not report an issue with FBTs.

These issues were debated in the House of Lords on 21 January along with the role that Agricultural Property Relief from inheritance tax and stamp duty land tax plays or could play in influencing the length of tenancies. Responding on behalf of the government, Parliamentary Under-Secretary of State Lord Gardiner of Kimble argued that a partnership approach between landlords and tenants is essential and the ability to rent land flexibly is important. He said “the government believes that a vibrant and flourishing tenant farming sector is vital. The legislative framework for agricultural tenancies must enable the development of successful farm businesses for tenants and an appropriate rental return for owners. This is how we will maintain confidence in the let sector and ensure ongoing opportunities for tenants and new entrants to land”.

Constraints on parliamentary time combined with the importance the government is placing on maintaining stability and confidence in the sector means that a Tenancy Reform Bill is unlikely. The government is working with TRIG to develop regulations to implement the reforms to the AHA succession process which were made via the Agriculture Act and legislation is expected later this year. Lord Gardiner also revealed more about the government’s planned support for new entrants in conjunction with county farm estates and other landowners. Launching in 2022, the scheme will help them access land, infrastructure and support to establish successful and innovative businesses. We understand that it could involve using incubator hubs to develop entrepreneurial skills.

Spotlight on The Farmland Market

Our latest [Spotlight on The Farmland Market](#) reports record low levels of farmland supply. Following a slow start to the year due to the first Covid-19 lockdown a busy summer period saw the market recover surprisingly well as simmering pent-up demand matched a backlog of supply. This split in activity saw 80% of publicly marketed supply launched from June onwards, as society adjusted to a new way of life and confidence in the market returned. Average farmland values remained remarkably resilient for 2020 showing no impact from the wider economic uncertainty. Results from the Savills Farmland Values Survey showed average values across all land classes in Great Britain increased for the 12 months to December 2020, with our average 'all land types' indicator finishing up 0.7% at £6,740 per acre. At a more local level there is variation in the strength of the market for different types of land and consequently performance can differ from the overall average. To find out more and hear our farmland market forecasts join Guy Ruddle and Savills guests: Alex Lawson, Evelyn Channing and Angus Locke as they discuss this latest research in our [Real Estate Insights Podcast](#).

COVID-19

Supreme Court backs small businesses

Thousands of businesses will receive pay-outs for losses sustained as a result of the Covid-19 pandemic. The Supreme Court judgement upheld arguments made by the Financial Conduct Authority (FCA), ruling that compensation should be paid in multiple disputed situations. These include when businesses were closed in accordance with government advice and not as a legal requirement. The disease is also to be counted as the cause in each case. As a result, it is valid to claim for losses caused as a result of the pandemic as a whole and not just the effect of individuals becoming ill. A key element of the ruling was the decision that compensation should be calculated compared to what a business generated in normal trading conditions. The insurance industry had argued that pay-outs should only be made on the basis of specific losses resulting from closure within a pandemic, where income would be notably lower.

The FCA test case aimed to clarify the legal interpretation of business interruption policies within the context of the Covid-19 pandemic by testing the wording of 21 relevant policy clauses. Thousands of businesses had attempted to claim for losses but were told they were not covered. The outcome could benefit up to 370,000 policyholders from a range of sectors including tourism, events and retail. Insurers are expected to pay out around £1.8 billion in claims. The Supreme Court judgement represents the final step in the appeal process. To benefit, businesses will still need to apply for compensation and demonstrate their losses were caused by the Covid-19 pandemic, but the case should make the burden of proof easier to meet.

Policy

Uncertainty over seasonal labour

Ali Capper, chair of the NFU's horticulture and potatoes board, has warned the timeline for the seasonal agricultural workers scheme pilot (SAWS) is causing 'nervousness' because it does not allow new operators time to bring permitted workers into the UK. She says the current timetable means new SAWS operators will be appointed by 12 February but will have to wait until 19 March to have their plans reviewed by the Home Office. New firms may not be licensed until June. There are also concerns that the government's year by year approach to labour supply does not give growers the confidence they need to invest in their businesses. Despite the number of permits tripling to 30,000, the industry believes up to 70,000 are required.

Border checks cause chaos

Stock checks and paperwork requirements are causing huge costs and delays for UK meat exporters. In an attempt to adapt to the new requirements, British meat companies had already cut trade volumes with the EU and Northern Ireland to about 20% for the first two weeks of 2021. Despite these deep cuts in volume, the British Meat Packers Association (BMPA) says there have been "catastrophic delays" and warned of worse to come as both meat firms and other industries begin to ramp up exports once again. Nick Allen, head of the BMPA, said "The current paper-based customs and certifications system is a relic. It was never designed to cope with an integrated, just-in-time supply chain".

UK exporter Euro Quality Lambs said the biggest problem was that the Food Standards Agency was not helping to check and complete an export health certificate for every customer in a load. The National Pig Association has laid the blame at the feet of EU officials. It said the delays were making UK shipments unattractive to buyers in the EU, forcing processors to reject shipments and cancel future orders. The BMPA said meat exporters have had consignments returned and that European customers are already turning away from UK suppliers. Moreover, the BMPA say some of Britain's largest hauliers have ceased taking consignments of mixed products due to the risk that one element delays the whole load. Around 40% of British meat exports to the EU are sent in this manner.

Environment & Natural Capital

Scotland: Natural capital benefit of new woodland

[A first-of-its-kind study](#) has provided quantitative evidence of the natural capital benefits of planting new woodland. To value its natural capital potential over the next 50 years the study assessed a newly planted mixed woodland site at Larriston near Newcastleton which has 560 hectares of planting over a 1,108 hectare site. The analysis revealed substantial benefits for society through the removal of 150,000 tonnes of carbon dioxide, almost 3 million cubic metres of water stored, and improved biodiversity. The key future benefits were valued at around £20 million in today's prices and include net carbon sequestration benefits worth around £9 million. Timber sales would provide the largest source of financial revenue for the project at £2.5 million over the next 50 years; meaning that nearly 90% of the site's benefits would not traditionally be valued or marketed. The study was commissioned by Scottish Forestry, Tilt Hill and the Scottish Environment Protection Agency.

Biodiversity net gain - Getting ready for action

On Thursday 21 January 2021, we held a webinar to explore the policy and practice of Biodiversity Net Gain (BNG). This emerging area has been signalled in the draft Environment Bill as a condition on all planning in England, meaning new development has to deliver a 10% uplift in biodiversity value. Over the past year interest in BNG has sky-rocketed, but many questions remain over its impact and implementation. The first session of the event was chaired by [Emily Norton](#), head of rural research, and looked at the current policy surrounding BNG, and the second session, chaired by [Jon Dearsley](#) (associate director and Savills natural capital lead) considered what is happening in practice with BNG here in the UK. The webinar included presentations from Natural England, planners, developers, infrastructure providers, ecologists and lawyers. [Click here to listen to the webinar.](#)

Protecting international nature and biodiversity

The Prime Minister Boris Johnson has announced that £3 billion from the UK's £11.6 billion international climate finance budget will be focused on climate change solutions that protect and restore nature and biodiversity. This is intended to deliver "transformational change in protecting biodiversity-rich land and oceans, shifting to sustainable food production and supply, and supporting the livelihoods of the world's poorest". Programmes supported by the funding will include the flagship Blue Planet Fund for marine conservation; projects to maintain forests and tackle the illegal timber trade and deforestation; and initiatives to conserve habitats such as mangroves that protect communities from the impacts of climate change. Mr Johnson made the announcement at the One Planet Summit, a leader-level virtual event convened by France.

Feed sheep tree leaves to cut greenhouse gasses

Feeding tree leaves to sheep could significantly cut nitrous oxide and carbon dioxide emissions. Scientists monitored four groups of six Aberfeldy-cross lambs, half of which were fed around 200g of goat willow leaves each per day. The [research](#) by the Game & Wildlife Conservation Trust (GWCT) also found lower emissions of ammonia from urine patches where lambs were fed willow. Currently, feeding sheep tree leaves would be labour intensive; however if silvopasture is adopted and suitable species planted, livestock could directly forage from coppiced trees.

Property & Development

Right to Regenerate

New plans will allow vacant plots of land or derelict buildings in England to be converted into new homes or community spaces. The "Right to Regenerate" proposals are intended to make it easier for the public to challenge councils and public organisations to release land for redevelopment. It could mean that underused public land is sold to individuals or communities by default, unless there is a compelling reason to the contrary. The rights would also apply to unused publicly owned social housing and garages, providing opportunities to transform the local housing stock. The latest figures show there were over 25,000 vacant council owned homes and over 100,000 empty council-owned garages last year.

Scotland: Grants for crofters' homes

The latest round of funding under the Croft House Grant scheme in Scotland will see more than £289,920 awarded to nine crofters to improve their housing or build new homes. Since the scheme was launched in 2007, more than £21.8 million has been awarded to 1,023 families and individuals in some of Scotland's most remote and marginal communities. The scheme aims to retain and attract people to rural communities while allowing them to achieve the full potential of crofts and generate economic activity.

Other Rural News

400 million tonnes of mineral products

The latest data from the minerals industry shows that Great Britain produced 400 million tonnes of aggregates, industrial minerals and other mineral products in 2018. Aggregates are essential to all areas of our economy from the roads we drive on, to the houses we live in, to the water we drink. The mineral products industry directly contributed to the UK economy by generating over £5.8 billion in gross value added based on a turnover of £16 billion. The industry employs 81,000 people directly at over 2,000 active sites and plants. To discuss minerals opportunities please contact [Stuart Jefferies](#) or [John Dutson](#).

Compaction-resistant crops

It has always been assumed that plant roots do not grow as well in compacted soils due to physical resistance from the soil itself. New research suggests that this may not be the case. Instead, it appears compaction reduces the diffusion of plant hormones, allowing the plant to 'sense' soil compaction. The accumulation of the ethylene hormone will then trigger the inhibition of root growth and potentially reduce overall yields by more than 50%. Soil compaction is a major problem for agriculture, estimated to cost up to £585 million per year in the UK alone. If the ethylene

signal could be 'switched off', there is the potential for new, compaction resistant crops to be grown that are able to punch through hard soils. Lead researcher Sacha Mooney, from the University of Nottingham, said "we were able to see that roots continued to grow in very hard soils when the ethylene signal was switched off". The research team was led by scientists from the University of Nottingham's Future Food Beacon and Shanghai Jiao Tong University.

And finally...

Time for a career change?

Wanted: two people to manage a small herd of the heaviest wild land mammal in Europe. Sound like the job for you? Well then maybe you could be one of Britain's first ever bison rangers. The Kent Wildlife Trust and the Wildwood Trust are hoping the introduction of bison will positively disrupt pine plantations within ancient woodland to make way for other species. Bison fell trees by rubbing up against them and eating the bark, creating space for new trees as well as dead wood for other species. Bison have long been extinct in the UK and by 1927, only 54 European Bison remained in existence. There are now more than 1,000 in Białowieża Forest, Poland, with plans to introduce four into a 200-hectare enclosure within Blean Woods near Canterbury. The job won't be easy though; these beasts are as heavy as a car but can hurdle high fences without a run up.

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