

Food & Farming

Soil health is crucial for sustainable food production

The NFU is calling for a coordinated approach across the rural sector to improve the UK's soil health. In a new report, The Foundation of Food, the NFU details why good soil health is crucial to the nation's farming systems and British food production. Soil degradation is reported to cost society around £1.2 billion per year, mainly linked to loss of soil organic matter, compaction and erosion. The [report](#) details the benefits of healthy soil in reducing flood risk, supporting biodiversity and sequestering and storing carbon, as well as increasing agricultural productivity. The NFU is asking the government for further investment in soil management research and innovation, data collection and processing, as well as support in facilitating the voluntary carbon offset market, local decision making for sustainable peatland management, flexibility for tenants, better knowledge exchange and greater incentives for soil management (on top of the Sustainable Farming Incentive).

Free business advice available to farmers in England

Farmers and land managers in England who receive Basic Payment Scheme (BPS) payments are eligible for free business advice during the early years of the Agricultural Transition. The Future Farming Resilience Fund has awarded grants to organisations who then provide free business advice to farmers and land managers to help them understand how the changes to farming will affect their businesses and help them to plan for the future. So far, 6,600 farmers have accessed this free advice. The next, increased and final phase of support will open in October 2022 and run until March 2025. During this period farmers can access a range of advice, from one-to-one consultations to workshops and farm tours. Savills is providing consultancy through a partnership with NIAB. For more information contact [Adrian Matthews](#).

Animal Health and Welfare Pathway

Defra is looking for volunteers to help it test the web service it has designed for Annual Health and Welfare Review applications and delivery. In return farmers will gain early access to the service and payments that it offers. Further information is available [here](#).

Policy

Procedural glitches with the rollout of the SFI

The Sustainable Farming Incentive was launched at the end of June 2022 and Defra has written a blog post to update farmers on progress of the rollout of the scheme. It says it has put in place a new service to make the application process easier and faster, and applications should be processed within two months although some agreements may take less time. Once processed, farmers will be prompted to review and accept their agreement on the Rural Payments service within 15 days. This will set the start date for the three year agreement under which farmers will be paid quarterly.

However, there is a significant glitch within the process for farmers who already have live Countryside Stewardship (CS) or Environmental Stewardship (ES) agreements, or common land. They are being told they are ineligible to apply for SFI, however Defra has made it very clear farmers should be able to have both an SFI and CS agreement - in fact, farmers have been advised to be in CS in order to be able to seamlessly move into future Environmental Land Management schemes. This is proving frustrating for farmers - the advice from Defra for those affected is to get in contact with the Rural Payments Agency (RPA) by email or telephone and they will give them access to the online service asap. From the end of August it is expected that those with CS, ES or common land will be able to access the online service directly.

Advance BPS payments issued to farmers

The RPA has issued the first BPS payments. In May, Defra announced the payments would be made in two instalments each year for the remainder of the Agricultural Transition period in order to ease farmers' cashflow. 50% of the overall payment will be issued from July with the remaining balance expected from December. The RPA expects most farmers to receive their BPS advance in the coming weeks. Lump Sum Exit Scheme applicants who have claimed BPS in 2022 will also receive an advance payment. Farmers should make sure the RPA has their up-

to-date bank account details. Once a payment has been made, a remittance advice will be sent in the post confirming the amount paid.

Groceries Code Adjudicator may be scrapped

The government is considering plans to scrap the Groceries Code Adjudicator (GCA) and merge its functions with the Competition and Markets Authority (CMA). The current adjudicator, Mark White oversees 14 of the UK's leading food retailers. A YouGov survey in June found relations between retailers and suppliers are currently deteriorating because of the handling of cost price increase requests from suppliers. Supplier groups believe it would be detrimental if the CMA took over the GCA's powers as complaints would be buried among other issues that the CMA watchdog considers, rather than focusing exclusively on the Groceries Code. The government is considering this possible transfer as a way to increase efficiency and effectiveness, and has launched a consultation into the proposal. John Noble, director of the British Brands Group, said it was vital suppliers engaged with the consultation and rallied against moves to get rid of the position. The Groceries Code Adjudicator is funded by a levy on the supermarkets.

Environment & Natural Capital

Defra sets out plans to reduce water pollution

Nutrient pollution in watercourses across the UK has been a growing issue for the past few years; excessive levels of nitrates and phosphates leaching and discharging into freshwater habitats have disrupted natural ecosystems and damaged protected habitats. In affected areas Local Planning Authorities' (LPAs) development can only be approved if LPAs are certain it will not have a negative nutrient pollution impact. This has caused an effective moratorium on new housebuilding as developers seek mitigation solutions. Natural England has provided technical guidance to LPAs on calculating the nutrient budget for a development, the approach has been challenged but its legality was confirmed in a Court of Appeal judgement on 15 July.

Defra has now announced new plans to fast track progress in pollution hotspot areas and to also unlock home building across the UK. The government is going to place a new legal duty on water companies in England to upgrade wastewater treatment works by 2030 in 'nutrient neutrality' areas to the highest achievable technological levels.

Natural England is also establishing a new Nutrient Mitigation Scheme which will invest in wetland and woodland habitat creation and expansion, providing accreditation to mitigation delivered through offset schemes, working in partnership with green groups and other privately led schemes; it is therefore another potential buyer for landowners to work with on their offsetting projects. The scheme will be open to all developers, with priority given to smaller builders who are most affected. Developers can also continue to put their own mitigation schemes in place should they choose. Natural England will work with new and existing private providers and markets for nutrient offsets wherever they exist. The scheme is due to open in the Autumn. For more information see our latest briefing note.

UK's net zero strategy ruled unlawful by the High Court

The High Court has ruled that the UK government's Net Zero Strategy is unlawful as it does not explain how targets will be met. The Net Zero Strategy was published in October 2021 in the run up to COP26. The strategy has been ruled inadequate and unlawful following a successful legal challenge brought by the Good Law Project, Joanna Wheatley, Client Earth and Friends of the Earth. The High Court rules that the strategy is too vague and does not detail sufficient measures for delivering the legally binding 2050 emissions target that the UK Government is committed to. Therefore, it may be in breach of the Climate Change Act.

The strategy contains no time-bound, sector specific emissions reduction targets. The court has ordered the existing strategy to be fleshed out and amended within the next eight months. The government has also been ordered to cover the costs of the charities that lodged the legal challenge. In response, Energy Minister Greg Hands said that although the Judge had ruled that the government had not complied with some specific procedural issues and the level of analysis, there was no criticism about the substance of the plans and the government is now considering the implications of the court judgment and deciding whether to appeal.

Property & Development

Reforms to reservoir safety regulation

The number of reservoirs in England is growing by an average of 15-20 per year and extreme climatic events are placing increased stress on existing and aging reservoir infrastructure. An independent review of the regulation of England's reservoirs concluded the Reservoirs Act 1975 does not effectively support modern, risk-based safety

practices and recommended a new safety regime is put in place with strengthened regulation. Therefore, the government has confirmed it will reform the Reservoirs Act 1975. Defra and the Environment Agency will commence a programme of work now, with a view to consultation in 2023/24. Potential proposals include strengthening inspections and enforcement and introducing management plans.

Small raised reservoirs, which are between 10,000m³ and 25,000m³ in volume, are currently unregulated. Bringing them under the scope of the Reservoirs Act 1975 is being considered. There are believed to be around 500 small raised reservoirs which pose a risk to local communities. During 2022/23 the Environment Agency plans to introduce a free registration scheme for owners of small raised reservoirs.

Business & Economy

UK-wide review of the pig supply chain

The government has launched a review of the pig sector in order to increase fairness and transparency in the industry. This follows the challenges faced by the sector in the past year due to rising input costs and labour shortages. According to recent reports, producers are still losing on average £30 per pig and these heavy losses have resulted in an estimated 20% drop in pig production. The National Pig Association has said 80% of its members don't believe they can survive another 12 months if the financial situation does not improve. The government consultation seeks views on issues such as transparency, price reporting, clarity of contractual terms and conditions, and market consolidation. You can [feed in your views](#) until 7 October.

Fertiliser plants and food security

Plans to close the CF Fertilisers site in Ince, Cheshire, were announced in June 2022. As a result the UK Nitrogen consortium is believed to have held protracted talks with the American company that earlier this year announced plans to focus its UK manufacturing operations exclusively at its Billingham manufacturing facility in Teesside. The talks were unsuccessful however and industry sources have said the failure to conclude a deal for the Ince site meant the future of fertiliser, and its role in the production of CO₂ supplies, would continue to be reliant on a one-site, foreign-owned monopoly. A government spokesperson has said "the government believes this is an issue for the market to solve". The NFU told The Telegraph, which first reported the collapse of the deal, that the Ince plant's closure would restrict the supply of fertiliser and there is a concern it would therefore leave Britain's food supply chain and food security, vulnerable.

Critical minerals strategy

Almost every part of modern daily life relies on minerals, often mined thousands of miles away. Recognising demand is rising and UK jobs and industries rely on minerals vulnerable to market shocks, geopolitical events and logistical disruptions, has prompted the government to publish the UK's critical minerals strategy. It includes an aim to maximise what the UK can produce domestically, where viable for businesses and where it works for communities and our natural environment.

Other Rural News

And finally...

Growing mushrooms in space

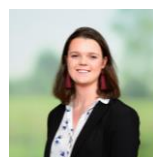
SpaceX is launching a new type of protein into space, a fungi-based protein which can be used to make burgers and other types of palatable meals for astronauts. The next mission will involve taking a protein growing incubator – Nature's Fynd's vegan fungi protein bioreactor – in order to incubate and grow active fungi that are harvestable and can then be used to make several types of food. The bioreactor converts feedstock into versatile high-protein fungi, using less water, energy and soil than animal based protein. The bioreactor will be sent on the SpaceX-25 to the International Space Station. SpaceX wants to use it to test new methods of producing sustainable food for astronauts aboard the space station, and in future space missions.

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27 July 2022

Landscape | Issues shaping the future of rural estates, agriculture and land management

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, with the 's' and 'a' in a darker shade of blue and the remaining letters in a lighter shade of blue.

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