

Net zero strategy

Land use and farming



Building back greener

In advance of the UN COP26 summit the UK government published its [net zero strategy](#) which set out how the UK will deliver on its commitment to reach net zero emissions by 2050. The strategy's strapline 'Build Back Greener' emphasises that the government sees the path to net zero as one lined with opportunities rather than sacrifices; it aims to make 'net zero a net win for people, for industry, for the UK and for the planet'. By following the strategy the UK expects to have secured 440,000 'well-paid' jobs and unlocked £90 billion of investment by 2030.

The government argues that the costs of inaction are greater than the costs of the transition and it has set four key principles which will underpin its decision making around costs.

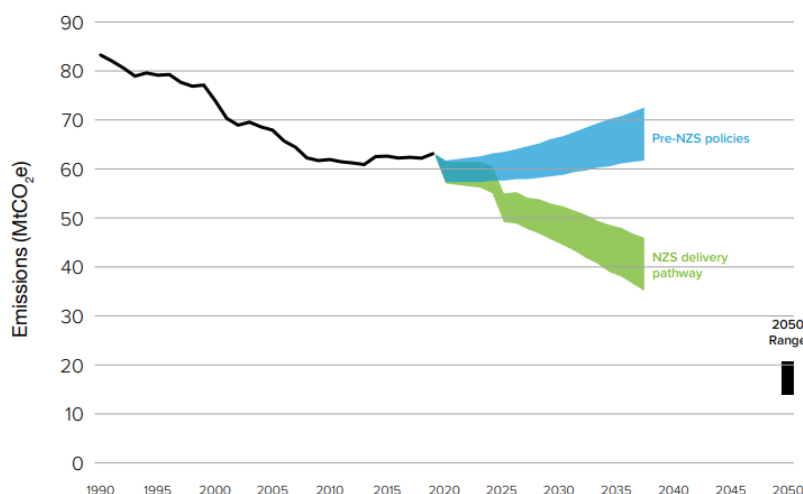
1. Work with the grain of consumer choice (e.g. no one will be forced to switch their car or boiler)
2. Ensure the biggest polluters pay the most for the transition through fair carbon pricing
3. Ensure the most vulnerable are protected through government support
4. Work with businesses to continue delivering deep cost reductions in low carbon tech.

Overall, the strategy largely summarises existing policies and schemes, however it is interesting to understand which are specifically integrated within the plan for delivering net zero as it indicates they are important and have broad policy support, suggesting their potential longevity. This briefing note discusses the elements of the strategy which have direct relevance to land use and farming.

Natural resources

Agriculture and land use fall within the natural resources, waste and fluorinated gases sector, which will benefit from significant investment under the strategy. The policies and proposals for this sector will start to mobilise additional public and private investment of approximately £30 billion, in line with the government's 2037 delivery pathway for its sixth carbon budget. Achieving this delivery pathway will require emissions from agriculture, forestry and other land use (AFOLU) to fall by 17-30% by 2030 and 24-40% by 2035, relative to 2019 levels (figure 1).

Figure 1: Indicative agriculture, forestry and other land use emissions pathway to 2037



Source: BEIS analysis

The overarching approach for farmers will be to support them to adopt low carbon farming practices, and increase the carbon stored on their farms, helping to improve business productivity and profitability. The net zero strategy demonstrates clear alignment with the Agricultural Transition Plan; most of the agricultural schemes within it feature in the net zero strategy and are articulated in terms of the efficiency improvements, carbon reduction or sequestration outcomes that they would deliver. This is positive news for the sector as it underwrites the importance of these schemes and suggests that agricultural support levels will need to be maintained beyond the existing 2024 agricultural budget guarantee.

Environmental Land Management is described as a 'powerful vehicle for achieving net zero, and the goals of the 25 Year Environment Plan'. So, delivering net zero will be a key priority across the Sustainable Farming Incentive (SFI), Local Nature Recovery and Landscape Recovery schemes. Widespread uptake of the SFI will be required as the government aims for 75% of farmers in England to be engaged in low carbon practices by 2030, rising to 85% by 2035. Uptake of the Landscape Recovery scheme will be more limited; it will target carbon sequestration through land use change and require a complex range of interacting social, economic, and demographic factors to be considered to ensure it is appropriately targeted. To support this, a net zero systems tool is being developed which will highlight dependencies, trade-offs and knock-on effects within the land use system.

Other key elements of the strategy

- Supporting low-carbon farming and agricultural innovation through the Farming Investment Fund and the Farming Innovation Programme to invest in equipment, technology and infrastructure to improve profitability, benefit the environment and support emissions reductions
- Developing a Farming for Net Zero resource, providing advice to farmers on good practice techniques to understand, manage and abate greenhouse gas emissions
- Boosting the £640 million Nature for Climate Fund with a further £124 million of new money, ensuring total spend of more than £750 million by 2025 on peat restoration, woodland creation and management
- Restoring approximately 280,000 hectares of peat in England by 2050
- Trebling woodland creation rates in England, contributing to the UK's overall target of increasing planting rates to 30,000 hectares per year by the end of this parliament
- Mobilising private investment into tree planting, including through the Woodland Carbon Code, with the support of the Woodland Carbon Guarantee, and into peat restoration through a reformed Peatland Code
- Supporting the acceleration of private investment in nature through initiatives such as the Natural Environment Investment Readiness Fund to test new models and build pipelines of investable projects
- Legislating for Local Nature Recovery Strategies – spatial strategies that will map proposals for improving or creating habitat for nature and wider environmental benefits.

A role for regulation

Positive financial incentives feature strongly in the net zero strategy as it seeks to make net zero a net win. There are however other policy levers available to government and some suggestions that they could be used. Government says it is committed to exploring the monitoring, reporting, and verification of emissions in the agriculture sector and will continue to review potential carbon pricing strategies for land use sectors, including the potential role for voluntary or compliance carbon markets to support cost effective decarbonisation of the sector. This could mean that a carbon price is put on a business' emissions to incentivise emissions reduction. The government also recognises that Environmental Permitting for dairy and intensive beef herds, which is planned under the Clean Air Strategy and already used for pig and poultry farms, could deliver emissions reductions. New legislative powers to improve soil management and nutrient management will also be considered. In spring 2022 the Nutrient Management Expert Group will report on how new policy can minimise emissions from fertiliser use.

What about soils and biomass?

Little emphasis is placed on soil carbon sequestration despite the SFI launching in 2022 with two soil standards. Soil's potential to sequester carbon is acknowledged but the government says it lacks the evidence to accurately quantify its potential contribution to net zero, so it is not currently included in the plan. For the time being public policy will focus on developing woodland and peatland carbon markets. Biomass will also be an important component of our pathway to net zero, but the extent to which its production is expanded remains uncertain. The biomass strategy, due in 2022, will establish its role once factors such as the wider environmental impact of biomass production and effect on air quality have been considered.

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