

Land Business Update

Week commencing 17th February 2020

Farming

Agriculture Bill progresses to discussion in committees after it passes second reading

An amendment to the Bill, tabled by Labour, was rejected. It said that the legislation 'fails to provide controls on imported agricultural goods, such as chlorinated chicken, and does not guarantee the environmental, animal welfare and food safety standards which will apply'. Discussion on this subject is expected to be a major part of the committee stages, before it returns to parliament for a further reading.

Proportion of farmers planning to set up or expand diversification businesses has doubled

48% of farmers say they are planning to diversify or expand existing businesses, which is over double the proportion in 2018, according to a survey by NFU Mutual. This is an early signal of how land managers are reacting to the changes to farm support in the Agriculture Bill.

Unreleased report highlights risk from microplastics from spreading sewage sludge

A report written for the Environment Agency in 2017 and leaked to Greenpeace's Unearthed team says that the composition of waste and sewerage sludge has changed significantly since regulations were introduced and microplastics are a growing concern. The Environment Agency is expected to start updating its regulations this year. Some supermarkets do not buy produce from farms where sewage sludge is used (Marks and Spencer and Co-Op), while others allow it to be used (Asda and Sainsburys).

Agronomy update

Many farms were catching up with delayed planting until storms Ciara and Denis hit in the last few weeks. Wheat drilled after the 1st February must be classed as spring wheat for both agri-chemical recommendations and cross compliance purposes, despite its variety. Oilseed rape crop growth is highly variable across the UK but most crops share poor rooting, which will make growth regulators key in this spring's protection programmes. OSR will also be the priority for the first nitrogen applications, which will start in mid- to late-February, followed by winter barley.

Far-reaching proposals in the EU's draft 'Farm to Fork Strategy Action Plan'

Although the UK is now outside the EU, some domestic policies might be shaped by what is being proposed within the EU, particularly in Scotland, Wales and Northern Ireland. The Commission is expected to publish its 'Farm to Fork Strategy Action Plan' in March and a draft contains the following proposals:

- A revision of the Sustainable Use of Pesticides Directive, with the aim to reduce the use and risk of chemical pesticides and encourage the take-up of low-risk pesticides and non-chemical alternatives.
- A reduction in the use of all types of fertilisers, not only fossil-fuel based ones.
- A reduction in antimicrobials in agriculture.
- An expansion of organic farming.
- Setting targets and reporting requirements on sustainable production practices, such as precision farming, organic farming, agro-ecology and agro-forestry.

European Parliament to debate a meat tax that could generate £27bn a year

The campaign group behind the proposal says the revenues generated should be [split between helping farmers invest](#) in environmental actions, such as more sustainable agricultural practices, subsidising fruit and vegetables, supporting low-income households, and funding greenhouse gas reductions and climate change adaptation in developing countries.

Organic area remains small in UK compared with Europe

Organic farming, both certified and under conversion, covered 7.5% of the total agricultural area of the EU or 13.4 million hectares in 2018. This is a 34% increase since 2012. The countries with the highest proportions of organic land are Austria, Estonia and Sweden, which all have over 20%, while the UK has one of the lowest proportions, at 2.6%.

Environment

Scotland: £40 initial funding for farming to meet its net-zero carbon ambitions

The details of the Agricultural Transformation Programme are still to be developed but the Scottish Government has said that it will be a mixture of grants and loans. It is likely to include funding for more tree planting; promoting the benefits of good grassland management for livestock producers; investment in renewable energy; and the development of organic farming. The government hopes that the funding will increase returns to Scottish farmers as they can sell 'low carbon food' at a premium.

Property

Government consulting on how to implement First Homes Scheme, which could cut the cost of new homes by 30%

The government is consulting on the design of the new First Homes scheme, which could offer first time buyers a 30% discount from market prices. The consultation is concerned with how such a scheme could operate. It is currently proposed that the scheme will apply the discount in perpetuity, so when the home is sold in the future the new local buyer will be able to purchase it at a discount as well.

Rural economy

European Commission makes its recommendations on a free trade agreement to European Ministers

The proposals, which will set the EU's ambitions, are expected to be approved, in a modified or unmodified state, by the end of February so that the first formal meeting between the UK and EU negotiating teams can take place at the beginning of March:

- Maintaining high standards on social, environmental, climate, tax and state aid matters.
- Zero tariffs and quotas on all goods entering the Single Market
- An ambitious free trade agreement in services, with wide sectoral coverage, ranging from business services to telecommunications or environmental services. However, UK access to the EU market would depend on certifications and market authorisation. All imports of goods or services would need to comply with EU rules.
- Digital trade, intellectual property and access to public procurement markets would also be included.
- A fisheries deal with continued reciprocal access to markets and to waters (in place by 1 July 2020).

Take part in ACRE's National Village and Community Halls Survey

ACRE, which is the network of 38 rural community councils in England, is carrying out its [decennial survey](#) about halls and the social and economic impact they deliver for their communities. The information it generates will be used to secure funding for halls and for ACRE's services. The survey covers all community buildings; village halls, community centres, sports pavilions, church halls, churches and halls that provide meeting facilities for the community.

Changes to IR35 tax rules for contractors and consultants come into effect from 6th April

The change in rules will transfer responsibility for deciding whether contractors and consultants providing their services via an intermediary should be subject to the IR35 rules. The likely result is that the contractor will pay more tax and NIC. The new rules do not apply to 'small' companies which satisfy two or more of the following conditions: annual turnover less than £10.2m; balance sheet less than £5.1m; fewer than 50 employees.