

Land Business Update

Week commencing 7th December 2020

Farming

2020-2028 BPS calculator and Effect on net profits of changes in farm support

Following the government's update on the Agricultural Transition Plan published last week, we have updated our two calculators to help assess what effect it will have on farm business profits. Our 2020-2028 BPS calculator shows how Basic Payments are likely to reduce from 2020 to 2028. Our second calculator assessed the effect on net profits of changes in farm support & the new Environmental Land Management System (ELM). It generates a bespoke, two-page report for any farm. It produces estimates based on three scenarios - our standard assumptions plus optimistic and a pessimistic ones – for profits from farming, agri-environment, diversification and Basic Payments. Please contact any member of our team who will run the calculator for your business.

European Food Safety Authority says gene editing no greater hazard than conventional breeding

The EFSA's assessment is focused on certain gene editing techniques (called site-directed nuclease-1 (SDN-1), site-directed nuclease-2 (SDN-2) & oligonucleotide-directed mutagenesis (ODM)) which modify a specific region of the genome without introducing new DNA. These techniques are different to one called site-directed nucleases-3 (SDN-3), which was assessed by EFSA in 2012. The EFSA's opinion will now be taken into account in EU policy on new genomic techniques.

Welsh farming funding dispute

The Welsh Government has accused the UK government of betraying Welsh farmers and communities. It claims that funding has been cut by £137m, which is about 35% less than was expected, and despite a promise to keep funding at pre-Brexit levels. As ever, the devil is in the detail. The Welsh Government says it thought the calculations were going to be based on an average of funding from the EU over a period of years, while the UK government saying the funding matches 2019 spending.

Environment

Woodland Carbon Code and Peatland Code join to become the UK Land Carbon Registry

This long-planned 'merger' will create a one-stop-shop for woodland and peatland carbon projects. Land managers can register their credits from projects on the registry and buyers will be able to see details of available credits and verify ones that they have bought. Please contact [Ed Daniels](#), head of John Clegg & Co, for more details.

Forestry

UK Timber Price Commentary

Timber prices rose 19% in the second half of 2020, according to data published by the Forestry Commission on the prices it achieved for sales of standing timber. Our experience has been that timber prices have increased recently, primarily due to the low value of Sterling, making timber imports into the UK more expensive. As the UK imported 81% of its wood requirements in 2019, this has increased demand for and prices of UK timber. There has also been strong demand within the UK for timber for home improvements, decking and fencing. Please contact [Ed Daniels](#), head of John Clegg & Co, for more details.

Rural economy & property

Demand for houses in the countryside has increased significantly due to COVID-19

Estates agents, including Strutt & Parker's, are reporting continuing strong demand for houses to buy and to rent in the country, particularly in southern England and the West Midlands. Kate Eales, our head of regional residential, says that the market had gone "berserk". The stamp duty holiday until 31st March is partially responsible, causing strong demand but also stimulating supply as landlords have taken advantage of the increased demand to sell up.

Future of transport in rural areas consultation

The government is [consulting](#) on initiatives to ensure that rural or isolated towns are 'not left behind'. One of the suggestions which has generated a lot of media interest is allowing drones to deliver goods to hard-to-reach areas; this is already done in parts of China. The consultation wants to understand whether trends in transport innovation, such as drones, electrification, on-demand and on-line services, are real opportunities for rural environments.

Further reaction to the Spending Review – energy efficiency and rural broadband

The UK Green Building Council has said that 'net zero' policies and funding is missing from the Spending Review's priorities, and in particular that energy efficiency needs to be included in National Infrastructure Strategy. Separately, internet service providers have called for clarity on the government's policy and targets on broadband. In its manifesto it pledged to reach every home with gigabit broadband speeds by 2025. This has been downgraded to 85%. The original target was part funded by £5bn from the government; the Spending Review cut this to £1.2bn over the next four years. We will report when there is more news but it is hard to see how this is consistent with the government's levelling up agenda or other initiatives, like the one on the future of transport, to ensure rural places are not left behind.

New UK immigration system went live on 1st December

The main change for employers is that the Skilled Worker route has replaced the Tier (General) route. The government has published guidance for sponsors of migrant workers under the new system, which will apply to EU nationals from 1 January 2021. Employers likely to employ a worker from overseas have been encouraged to apply for a sponsor licence.

Treasure Act to be changed to wider definition of treasure

The 1996 Treasure Act will be amended so that artefacts will be defined as treasure if they are of historical or cultural significance; currently only objects more than 300 years old, made of gold or silver, or found with artefacts made of precious metals fall under the definition. The change is intended to ensure significant artefacts are not lost to the public and will be displayed in museums.

Shooting

Scottish Government proposes licensing of grouse moors as part of its response to the Werrity Report

The government has proposed a number of changes in order to affect the environmental impact of grouse moor management. The plans are in response to the recommendations of the Grouse Moor Management Group. They include requiring grouse shooting businesses to be licensed (immediately, not in five years as Werrity suggested) to tackle raptor persecution, controlling the burning of heather to protect wildlife and habitats, a statutory ban on burning on peatland except if granted a licence for limited purposes, and greater control of the use of medicated grit. The government said that 'greater oversight of the practices associated with grouse moor management is necessary'. The proposals will be subject to consultation.