

Land Business Update

Week commencing 30th May 2022

Farming

Adding Value grant opening in England in June

The final scheme under the Farming Transformation Fund, the [Adding Value grant](#), will be opening for applications in June, with a total funding pot of £30m. Farmers, growers and processors will have six weeks to put together their applications to get funding towards purchasing capital items to add value to agricultural products (both crops and livestock). The grant will cover a maximum of 40% of total eligible project costs, with the minimum grant set at £25,000 and maximum capped at £300,000 per applicant business. Both new and second-hand items are eligible for funding. This includes equipment to process milk into cheese, sort and process grain and retailing equipment such as milk vending machines. Projects will have to fit in with the grant priorities, as detailed in the [guidance](#). S&P comment - we think that applicants should also demonstrate the environmental benefits of their projects, as this will be taken into account by the RPA during the applications scoring process. If you would like further information or are interested in applying for the grant, please contact [Marie Charles](#).

Total Income from Farming (TIFF) rises to third highest level since 2000

TIFF is a government measure of the total profit of all farming businesses in the UK and includes business profits and remuneration for work done by owners and other unpaid workers. It rose by 14.4% in 2021 to just under £6bn, which represents 0.5% of GDP. Although input prices increased, nearly all agricultural sectors experienced high output values due to high prices. Within the livestock sector, dairy and beef both saw the biggest increase in value, with increases of respectively 7.8% and 10.5% on 2020 values. Profits in the pig sector shrank as an expected growth in demand did not happen and this oversupply combined with shortages in CO2 and butchers. For crops, total outputs increased by 20% compared with 2020 (meaning a £1,802 million increase), with wheat leading the way. Profits from other agricultural activities and non-agricultural activities were stable and income from subsidies fell slightly due to the phasing out of Basic Payments.

Deadlines for the Basic Payment Scheme and Countryside Stewardship

Farmers had until 16th May to submit their Basic Payment Scheme (BPS) and/or Countryside Stewardship / Environmental Stewardship (CS / ES) claims without penalty. Claims can still be made as follows:

- **31st May** – you can amend CS / ES claims until this date with no penalty.
- **10th June** – until this date you can:
 - Submit a BPS and or CS/ES claim(s) with penalty.
 - Amend BPS and CS claims penalty free (for any claim that was submitted by 16th May).

Any BPS and CS/ES claims received after 10th June will be rejected. If you need help with submitting a claim, please do get in touch with your local Strutt & Parker farming consultant.

Gene editing bill introduced to parliament

The Bill, which was announced in the Queen's Speech a few weeks ago, has already been introduced to parliament. It will legalise (some) gene-editing technology by creating a lighter-touch authorising regime for deciding whether modified plants and animals can be used in agriculture. It will focus, at first, on plants and not animals. Gene editing involves taking a selected piece of DNA out of a cell so that the gene's effect can be switched on or off. Supporters say it does the same thing as traditional breeding methods but much more quickly. It is different to genetic modification (or GM) as it does not introduce genes from another species. The NFU welcomed it as 'another tool in the toolbox'. However, critics say that the Bill does not include the requirement for independent risk assessment of proposals and does not provide the transparency needed. The Soil Association and Friends of the Earth says it does not address the transformation needed in our food and farming system for true security and resilience. This is a controversial piece of legislation and it has significant implications politically in terms of devolved governments, as the Scottish and Welsh governments are opposed to the production and sale of genetically modified crops and products.



Environment

More British butterfly species are endangered or threatened with extinction

Time is running out to save Britain's 58 butterfly species from complete extinction, according to Butterfly Conservation. Over half of them are [now listed as threatened](#) with extinction, and a further 16 species are listed as endangered. This decline in butterfly populations is believed to be a result of habitat loss and the impacts of climate change. However, all is not lost, as targeted conservation measures have protected some endangered species, such as the large blue. But actions need to be taken fast. Farmers and landowners can play a crucial part through conservation management practices, such as extensive grazing on flower-rich grassland and providing flower-rich field margins that can act as stepping stones between habitat patches. Butterfly Conservation has published a [great two-page simple guide](#) on managing land for butterflies and moths. Essential reading.

Forestry

New guidance to control *Phytophthora pluvialis* on conifers

The Forestry Commission has introduced new movement restrictions on materials (which means wood, bark and trees) capable of spreading the disease in five areas. The 'demarcated areas' include parts of Cornwall and Devon, Cumbria, Herefordshire, Surrey and Gloucestershire. *Phytophthora pluvialis*, is a fungus-like pathogen and is known to affect a variety of trees including western hemlock, tanoak, some pines and Douglas-fir. The Commission has published a [symptom guide](#) and asks that any suspected sightings are reported using its [TreeAlert website](#).

Warning to remain vigilant about eight-toothed European spruce bark beetle

The Commission is recommending that any woodland manager with storm-damaged spruce trees get them destroyed, where possible, to reduce the risk of the beetle spreading. The beetle feeds on live but significantly weakened trees, with snapped stems down to 8cm diameter being a key target. If left uncontrolled, the beetle, in association with pathogenic fungi, has the potential to cause significant damage to Britain's spruce-based forestry. The Commission's guide on the beetle is [here](#) and please contact [Matthew Bennison](#) in our forestry team if you would like to discuss.

Rural economy

Grants of up to £6,000 available to install low carbon heating systems

The Boiler Upgrade Scheme (BUS) is now open to owners of houses (including landlords and second-home owners) and small non-domestic properties for applications in England and Wales. The grants are to encourage the installation of air and ground source heat pumps and biomass boilers. Property owners have to get quotes from different installers who, if instructed, will apply for the grant on behalf of the property owner. Guidance on eligibility criteria is available [here](#). The scheme runs until 2025.

Time to install EV charging points?

Second-hand electric cars are now selling as fast as conventional cars, with sales up by 68% in April and stock levels for EVs falling sharply due to the increased demand. Nearly 40,000 EVs were bought in March 2022 alone, compared with 37,850 EVs bought in the whole of 2019.

The Queen's Speech – what was missing?

Although the 38 Bills announced is one of the numerically largest legislative programmes, it is revealing to look at what was not included. The UK Green Building Council says that some key climate initiatives were cut, including confirmation of higher Minimum Energy Efficiency Standards (MEES) in the private rented sector and climate disclosure requirements for businesses. MEES are an interesting policy area as increasing energy efficiency will reduce the total amount of energy the country will need and so reduce the environmental impact of generating it; however, to effectively implement it requires a long-term coherent plan for upskilling and growing the numbers of people who can physically adapt buildings. The failed Green Homes Grant shows how important planning this type of work is – which is probably why the government did not include it.

On biodiversity, there was nothing on 'wild belts' or how local nature recovery networks will be protected. Defra still can't give a date when it will publish details of the Local Nature Recovery Scheme, the replacement for Countryside Stewardship – over three years since the three tier approach was first announced.