

Land Business Update

Week commencing 12th June 2023

Rural economy

Unleashing Rural Opportunity

The Government has unveiled a new package of measures aimed at delivering housing and jobs, alongside better digital connectivity and transport links in the countryside. Its main elements are:

- A new £7 million fund to test ways to combine satellite and other technology to improve connectivity in remote areas.
- (Re) creating a network of 'Rural Housing Enablers' who will identify sites for affordable housing with local support.
- Consulting on making it easier for farmers to change their redundant agricultural buildings into family homes.
- Consulting on planning changes to make it easier to adapt agricultural buildings to new uses.
- Support electricity infrastructure in rural areas to make sure it keeps up with changing needs, such as EV charging and electrified heating systems.
- Improve local transport networks through a Future of Transport Rural Strategy.
- Publish a new public libraries strategy for England in 2024.
- Consult on a new fund to help smaller abattoirs to improve productivity and enhance animal welfare.
- Review how deprivation in rural areas is measured.

What is hard to judge is how significant the package will be in the long-term – see the article below on deprivation and the need for an integrated rural strategy? There are few figures for the amount of funding for the different measures, and they need to be put into context of current and historical funding levels, as well as overall rural needs.

75% of rural households say their financial situation has worsened over the past year

The survey, by the Rural Services Network and Rural Issues Group of Citizens Advice, found that two thirds of respondents are in households with little income left over for other things after paying for essentials; 20% said they either have no income left over or that essentials exceeded their income. Low-income households reported they have reduced spending on home heating (90% of such households) and visits to hospitality venues (91%). The survey was carried out in January to March 2023 and there were 6,780 responses. The RSN has said that, in response to the survey, the government must develop a strategy that addresses the multiple forms of disadvantage that rural areas face.

Vodafone starting to switch off 3G service this June

The firm says that 3G use had dropped significantly, with less than 4% of its customers' data being used on its 3G network, compared with more than 30% in 2016. It says that trial switch offs in Plymouth and Basingstoke were successful, but it is unclear whether they assessed the effects on the most remote areas and on people with basic mobile phones. Digital Poverty Alliance, which is a campaign group, says that switching off 3G would have detrimental effects and force some users into 'digital poverty'. The BBC has quoted an IT consultant living near Manchester as having to consider switching service providers as 4G and 5G coverage is poor where he lives. Vodafone says that it is working with third parties, including charities, to help customers. The government's plan is that all 2G and 3G services will be shut off by 2033 at the latest, with 3G networks being shut first.

Farming

Arable profitability expected to be at recent low in 2023 and to recover slightly in 2024

UK arable farmers are facing more than a 50% drop in profits for harvest 2023 compared with 2022 due to lower commodity prices, higher working capital requirements and the continuing reduction in Basic Payments. Our farm and research teams have built a model that estimates profits based on changes in crop receipts, variable and fixed costs. An average arable farm is expected generate profits of £183/ha from farming, agri-environment and Basic Payments in 2023, down from £568/ha in 2022. Profits are expected to rise slightly to £237/ha in 2024. The model also estimates profits for higher-performing farms, which are forecast to be more than 75% higher than those of average performing farms in 2024 (at £422/ha). Please contact [Andrew Atkinson](#) for a copy of our report on arable profitability or to discuss running your farm through the model.



Productivity and Slurry grant funding almost doubled (England)

The funding has been raised to £31m under this round due to high demand, from around 3,000 applicants. The application window is now closed but it is worth reviewing whether any works needed on a farm could be part funded under a future round. Please contact [Paul Dennison](#) or [Alice Johnson](#) for details of what can be funded.

Hungry for change

A number of significant organisations have grouped together to raise awareness of the need to improve nature in agriculture in the UK and to highlight the solutions available to farmers to prioritise biodiversity while cutting back on food loss. They have [released a film](#). The organisations include Tesco, NatWest, Tiodos Bank, WWF, RSPB and the National Trust. The initiative is supported by Henry Dimbleby, who wrote the national food strategy. Separately but linked, a study that is based on data on 170 common bird species, monitored at more than 20,000 sites in 28 European countries, over 37 years, says that that agricultural intensification, in particular pesticides and fertiliser use, is the main pressure for most bird population declines, especially for invertebrate feeders.

Farming Innovation Programme (England)

The government is [funding more than 50 projects](#) that aim to boost food production and create a more resilient and sustainable agricultural sector. In addition to this £30m of funding, £12.5m is available under the new 'On-Farm Environmental Resilience' competition for the development of practical new technology and innovative farming methods (applications close on 19th July), with a focus on practical solutions that make a real impact on farms. These two funds are part of the 'Farming Innovation Programme', which has a £270m budget over the seven-year Agricultural Transition Plan period (so @ £40m pa).

Nitrate Vulnerable Zones and spreading manure

Farmers requiring a derogation from Defra for spreading livestock manure on grassland in NVZs must apply for one before 4th July 2023. More information is available [here](#) and contact our farming team if you would like help with applying for one.

Forestry

Forestry and Water Know the Rules booklet (UK)

This handy booklet is very practical, easy-to-read and broken down into useful sections (e.g., on ground preparation, use of fertilisers etc). Hard copies can be requested from the Forestry and Water Scotland Group [here](#) and downloadable copies are available [here](#).

Very small area of new woodland created by natural regeneration

Only 192 hectares have been established through the government's England Woodland Creation Offer (EWCO) since it was launched in May 2021; this is less than 5% of all new woodland in England in 2021-22 and despite it being called one of the cheapest and most efficient ways of creating new woodland. The government is expected to release planting data for the past year in the next few weeks. It is widely expected that planting will be well below the government's target of 30,000 hectares per year.

HS2 Woodland Fund now open (England)

Delivered under the English Woodland Creation Offer (EWCO), the Forestry Commission has published [guidance on the HS2 Woodland Fund](#) which is now open for applications. The funding, available for sites within the 25-mile zone of the HS2 Phase One route, can be used for restoring existing plantations on Ancient Woodland Sites (PAWS) and creating new native woodland. If you have any questions about the scheme, please contact [Alex Brearley](#) or [Hugh Williams](#).