

Land Business Update

Week commencing 10th June 2024

Farming

Farmers and business management practices

Defra has published its latest data on this, which is a long-running survey using information from the Farm Business Survey. The latest data covers the year to the end of February 2023. Some of the most interesting results are summarised below and we will cover access to advice and risk management in future editions of this bulletin:

- Around 30% of farmers regularly produce (or use) budgets, gross margins, cash flows or in-depth analysis of profit and loss, and this is lower than it was in 2016, the base year published by Defra. Cereals, dairy and general cropping farms were the most likely to do this and livestock farms (upland and lowland) the least likely (17% and 18% of them respectively).
- More positively, 50% say that they use Farm Business Survey benchmarking and feedback, which is up slightly on 2016 levels. But benchmarking using other sources is only used by 15% of farmers, down from 21% in 2016, and again lowest on livestock farms.
- The data was also analysed by the performance level of the farms. Perhaps unsurprisingly, the farms in the high-performance band (which is the top 25% by profitability) are much more likely to have formal business plans and produce financial accounts.
- The main reason that farmers gave for not undertaking more or other business management practices was that they were already carrying out all needed practices.

Strutt & Parker comment: our experience is that the best performing farm businesses produce budgets and compare actual performance to them and they use a range of benchmarks to assess their outputs but most importantly their costs of production. We also find that high performing businesses are always thinking about how to improve or change their practices – very few feel that they are carrying out all needed practices.

Sustainable Farming Incentive (SFI) closed to new applications but an early application request can be made

The 2023 version of the SFI closed for new applications from 10th June. Any applications that had been started on the RPA website can still be submitted, up until about 10th August.

The new 2024 'expanded' version will open later this summer but there is no firm opening date yet. The details of the actions that can be applied for have already been published so it is possible to start work on planning an application. Anyone who would like to apply early can apply to do so by submitting [an expression of interest](#). Contact our farming team if you would like to discuss the changes to SFI24 or to plan an application.

Environment

ESG IN PERSPECTIVE – the new magazine from our team of 80+ ESG experts

Its aim is to lift some of the day-to-day uncertainty about how to address ESG and show some strategic, pragmatic and staged approaches to creating resilient real estate. There are sections on carbon, energy, social value, future proofing and nature. We hope you enjoy it and would welcome any feedback. [Read it here](#).

What has nature ever done for us?

Watch this brilliant, funny [two minute video](#) from Zero Hour. Zero Hour is gathering support for the [Climate and Nature Bill](#), a piece of legislation which joins up Britain's climate and nature plans. The Bill is at second reading in the House of Commons.

A record 10,000 hectares of peatland restored in Scotland in 2023/24



This is very positive news as the rate of restoration has more than doubled in the past two years. Restoration is important for reducing national carbon emissions as damaged peatland emits large amounts of the carbon that it has built up over millennia. It is estimated that the 10,000 hectares, when fully recovered, will lead to 'avoided emissions' of 87,800 tonnes of CO2 per year, which is the equivalent of taking about 63,000 new petrol cars in the UK off the road for a year. NB We still desperately need to reduce emissions from cars and transport too!

While the increase is very good news, around 75% of Scotland's two million hectares of peatland is degraded and the greenhouse gases it releases into the atmosphere accounts for around 15% of Scotland's emissions. The Scottish government has pledged £250 million over ten years to support peatland restoration, administered by Peatland Action. The national target is to restore 20,000 hectares per year from 2021, which is well below the Climate Change Committee's recommendation of 45,000 hectares per year.

Warning of judicial review over government failure to meet its environmental targets in England

The Office for Environmental Protection (OEP), which is the government's independent watchdog, has said that the government is "largely off track" to meet its targets in the Environmental Improvement Plan (EIP), with only four of 40 targets likely to be achieved. Wildlife and Countryside Link, which is a coalition of 83 environmental groups, has initiated legal proceedings, questioning why the Secretary of State did not consider a review of the EIP in light of the watchdog's report. If the government does not give a satisfactory response, Wildlife and Countryside Link has said it will consider judicial review.

Forestry

Eight-toothed spruce bark beetle demarcated area expanded into the Midlands

The area in which controls are imposed for most actions involving spruce material has been expanded to cover the whole of the south-eastern and eastern corner of England and up into Lincolnshire, following the beetle being found on Norway spruce in East Anglia. The controls are detailed and is needed for most actions. The beetle was first identified in the UK in Kent in 2018 and it can attack dying, stressed and healthy trees (under the right conditions). It has the potential to cause significant damage to Great Britain's forestry and timber industries.

Property and rural economy

First coastal tourist tax in the UK introduced

The tax of £2 per visitor per night will be added to visitors' bills in larger hotels in Bournemouth, Christchurch and Poole from 1st July. The proceeds will be used by the local Accommodation Business Improvement District to support and develop local events and cultural and recreational activities. Other places such as Manchester and Liverpool have implemented similar measures.

Star council awards open for nominations

These long-running [awards](#) recognise the contributions of parish and town councils to their communities. There are categories for council of the year, councillors, young councillors, county associations, clerks and climate response of the year. The winners will be announced at a parliamentary reception in the House of Lords. Nominations must be made by 6th September to the National Association of Local Councils (NALC).

Contacts



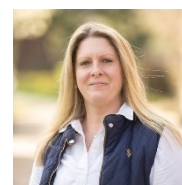
Jason BEEDELL
Rural Research
Director

*jason.beedell@
struttandparker.com*



**Jonathan
ARMITAGE**
Head of Farming

*Jonathan.armitage@
struttandparker.com*



Donna ROURKE
Head of ESG and
Sustainability

*Donna.rourke@
struttandparker.com*

© BNP PARIBAS REAL ESTATE ADVISORY & PROPERTY MANAGEMENT UK LIMITED. ALL RIGHTS RESERVED. No part of this publication may be reproduced or transmitted in any form without prior written consent by Strutt & Parker. The information contained herein is general in nature and is not intended, and should not be construed, as professional advice or opinion provided to the user, nor as a recommendation of any particular approach. It is based on material that we believe to be reliable. While every effort has been made to ensure its accuracy, we cannot offer any warranty that it contains no factual errors. The information contained herein should therefore not be relied upon for any purpose unless otherwise agreed with Strutt & Parker and Strutt & Parker shall have no liability in respect of the same. Strutt & Parker is a trading style of BNP Paribas Real Estate Advisory & Property Management UK Limited, a private limited company registered in England and Wales (with registered number 4176965) and whose registered office address is at 10 Harewood Avenue, London NW1 6AA.