Land Business Update

Week commencing 20 July 2026

Farming & food

Agricultural commodity prices expected to fall over the medium-term

The OECD and FAO produce an annual assessment of the ten-year prospects for global agricultural commodity and fish markets. It is always interesting as it provides a comprehensive assessment of how supply, demand and prices might change. The projections are based on historical data and assumptions about economic, political, cultural, climatic and technological developments although the report acknowledges that making projections now, given the US/Israel-Iran war and greater volatility in trade policy, is increasingly difficult and the projections do not explicitly incorporate them all. Nevertheless, the medium-term projections are still useful as contextual information. They are for a modest decline in average real agricultural commodity prices, reflecting expectations that, on average and globally, productivity will improve and that will lower production costs.

Evolution of commodity prices, in real terms

Index (2019 = 100)	2019	2026	2031	2034
Wheat	100	97	96	92
Soybean (so oilseed markets)	100	97	96	92
Beef	100	102	91	92
Pork	100	87	83	78

Soil remains dry despite June's rainfall

The Environment Agency's latest outlook is:

- Despite rainfall being above average in more than two-thirds of hydrological areas in June, soil moisture deficits continued to increase throughout the country. At the end of June, soils across most of England were drier than expected.
- River flows fell across nearly two-thirds of monitoring sites although the majority were classed as having normal flow levels.
- There is a similar story for groundwater, with levels decreasing at most monitoring sites but remaining as classed as normal or higher at most sites.
- The 3-month forecast across the UK is that conditions are likely to be warmer than average, with a greater than normal chance of heatwaves, particularly earlier in the period. Rainfall is expected to be around average, although regional differences may be large.

Environment Agency's first annual report into agriculture and water

The Environment Agency has reported on the data and effects of its increased programme of inspections, which started in 2021. It now carries out at least 4,000 inspections per year. The report takes data from the 19,000 inspections carried out over the past five years. The good news is that compliance has increased, and the EA says that its 'advice-led' approach to non-compliances is starting to make a real difference, with most farmers taking the advice seriously and reacting well. However, around 40% of the farms inspected are considered to not be complying with all of the rules and over half have at least one non-compliance. Some of these are minor (for example, broken guttering or needing to put in place a nutrient management plan) and have led to more than 19,000 improvement actions being completed since 2021. But some are more complex (such as having to increase slurry storage). At the most serious end of the scale, there have been 49 serious category 1 incidents caused by farming activities over the five-year period, which have led to 39 successful prosecutions. If you would like any advice on preparing for and responding to an inspection, please contact Natalie Gaibani, our head of farming in the first instance.

Natural capital & environment

Woodland Carbon Code impact in 2025/26

The WCC says that it registered almost 16,500 hectares in 2025/26, validated over 6,700ha and verified almost 4,000ha. In total, the Code now includes 907 validated projects, which have created 45,467 ha of woodland, which are estimated to sequester over 15.7m tonnes of carbon dioxide equivalent over their lifetime. Over the past five years, 40% of all woodland created in the UK was validated to the Code.

Wildfires – "What we are witnessing is climate change actively rewriting the vulnerability of the British landscape"

This quote comes from an article on wildfires in The Times Environment section. Dr Maria Barbosa, a wildfire scientist at the UK Centre for Ecology & Hydrology, continues: "When landscapes experience several consecutive days with temperatures above 30C and little or no rain, plants and soils lose moisture faster than they can recover." This reinforces the need to think about how to make landscape, and farming systems, more resilient to our new normal climate.

New review finds no evidence of pheasants affecting insect abundance

The scientific review, commissioned by Natural England and undertaken by the Game & Wildlife Conservation Trust, says that pheasant releasing is having no significant impact on insect populations in the wider countryside. Negative effects were only detected at sites where gamebirds congregated in higher densities, such as release pens and around feeders. Campaigners have criticised the review, and Natural England's own report page acknowledges that gaps in knowledge remain, for example on the spatial reach of effects and how particular insect species are affected. Some of the evidence used came from doctoral research, with limited scientific circulation or challenge.

Invasive Species Week

Invasive non-native species, both plants and animals, threaten the survival of native wildlife and our natural ecosystems. It is estimated that they cost the economy nearly £2 billion a year. Invasive Species Week is an annual event led by the GB Non-native Species Secretariat (NNSS), in partnership with a wide range of organisations, to raise awareness of invasive non-native species and how everyone can help to reduce their impacts. NNSS has a useful website which contains lots of information and advice on what you can do to help.

Rural economy & property

Possible changes in policy under the Burnham Labour government

Speculation has started about possible changes, based on what he has said recently, in the past and his philosophy:

- Inheritance Tax - he has said he might "look again" at the government's new rules on inheritance tax for farmers. In 2009, he suggested a flat 10% charge applied to all estates.
- Housing – he has said he wants a national "housing first" policy that includes the biggest council house building programme since the post-war period to help address the UK's housing crisis. He would like regional and local authorities to have greater powers over housing policy, seeing a link between housing, local economic growth and community renewal.
- Stamp Duty, council tax and business rates – he has been a strong advocate for reform to these "highly regressive" taxes, in the past advocating for an annual tax on the rental value of land. The plans, supported by a University College London report, would replace several existing property taxes with a single national contributions levy.
- Other taxes – he has said he wants to make his government more pro-business. This could include a business rate cut for small hospitality businesses and increasing the threshold for business rates for small businesses. He has also suggested that he could reverse the increase to employer national insurance contributions.

Scottish government consulting on introducing a 'mansion tax'

The tax, which would be based on new council tax bands, would increase council tax by £720 per year for homes valued at £1-2m and by £3,600 for homes over £2m, according to the government's indicative scenario. It would affect fewer than 1% of residential properties in Scotland, raising an average of £500,000 per council per year and £12-16m per year in total. If introduced, it could come into effect from 1 April 2028.

Nationwide Building Society to pilot energy efficiency advice and loans for landlords

67% of residential landlords are unaware of when the minimum energy-efficiency standard (MEES) of C comes into force, which is in October 2030, according to research from The Mortgage Works. Around 55% of private rented properties in England, some 2.5m homes, are below grade C, according to government figures. The Mortgage Works, an arm of Nationwide and one of the biggest buy-to-let lenders, is launching a pilot programme under which owners of 1,000 rental properties will be offered free surveys and advice on how to raise their properties' standards, as well as cost estimates for the upgrade work. It will also offer loans of up to £15,000 at a discounted rate and no fees.

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