

Land Business Update

Week commencing 12 June 2017

Farming

Michael Gove replaces Andrea Leadsom as Environment Secretary

The appointment is seen as a political move, to keep the Conservative Party's most prominent figures behind the Prime Minister. One of his responsibilities will be policy making on climate change; he tried to remove the subject from school curriculum when Education Secretary, although he says this was to reduce the size of the curriculum rather than having an issue with the subject or the science. He previously voted to sell the UK's public forest estate, not to cut the permitted carbon dioxide emission rate of new homes and said that the Habitats Directive massively increases costs and bureaucracy in house building. He has voted for badger culling and also said, in 2016, when in contention to be the leader of the Conservative Party, that CAP payments would be matched by government, there would be less red tape and that migrant labour would be protected. He has also said that he is a 'shy green' and that preserving areas of natural beauty was a key environmental pledge. We think George Eustice and Thérèse Coffey remain as ministers.

Brexit: farmers' confidence and planned investment falls post-referendum

Farmers are much less confident about the next three years than they were before the Brexit referendum. The current 'confidence level' is zero, lower than its recent high point of +19 two years ago. Brexit, the general election and lower commodity prices are all named as reasons. The lower confidence has reduced planned levels of investment in their farming businesses, with only 10% planning to increase investment in their businesses and 20% saying they would reduce it.

Pledges to 'bring forward work' on reducing dependence on imported protein

Europe imports the majority of the protein, such as soybeans and oilseeds, which is fed to our livestock. Part of a strategy to reduce imports will be encouraging more domestic production of protein crops. Farming organisations have responded by saying that the strategy should consider research, advice, risk management to reduce price volatility, and possibly payments or grants to encourage production. There has also been considerable acknowledgement of the impact that livestock production has on climate change and the role it has in reducing it and its impacts. Linked to this, Germany and Hungary are signing the EU Soy Declaration, which calls for measures to support "more diverse cropping systems and the development of logistics, processing and markets for sustainably produced legumes including soy".

Artificial intelligence system uses facial expressions to assess animals' moods

The system has been developed by the Computer Laboratory at Cambridge University. It 'views' changes in the position of an animal's nose (a v-shape for unhappiness), eyes (narrowing), cheeks (tightening) and ears (folding upwards) to assess whether it is unhappy or in pain. If reliable, the system could be fitted to feed and water troughs to monitor farm as well as laboratory animals.

Eating food containing high levels of pesticides can have an adverse effect on the brain

A review of research commissioned by MEPs says that although pesticides are regulated and subject to "a comprehensive risk assessment before market release ... important gaps remain". Separately, in April, the European Food Standards Agency published its review of pesticide residues in food. It analysed over 84,000 food samples collected in the EU in 2015 and found that 53% were free of quantifiable residues and 97% had residues within legal limits. Greenpeace has criticised the reporting of the results as overly upbeat as it fails to take into account how mixes of pesticides, which occur in many samples, affect human health, although this type of analysis has been suggested in a number of studies. The Crop Protection Association insists that pesticides are safe.



Environment

Farming has key role to play in making flood plains function properly

Nine out of 10 flood plains in England don't function properly, by slowing and reducing the flow of water, according to a new study by Salford University funded by Co-op Insurance. This has led to more flooding, which is having greater personal and financial impact. The study says that only 10% of the damage to flood plains is due to building and that over 60% is due to farming, which has created artificially smooth and uniform landscapes. The report says that it would be impossible to restore the flood plains to their original state but there are actions that can be taken to improve how they work, such as restoring hedgerows, some natural vegetation and encouraging mixed farming, which helps slow water (and reduces loss of soil). There is lots of discussion at the moment about how the actions land managers can take to reduce flood risk can be built into the UK's post-Brexit agricultural policy, and how it might be paid for.

Twice as many wild salmon would survive if human-made 'barriers' were removed

The Atlantic Salmon Trust has said that wild salmon populations have fallen significantly due to the barriers that they face throughout their lifecycle. Only 1 in 20 smolts that swim out to sea return to breed the next year – lower than the 1 in 4 it was 50 years ago. The barriers that the Trust mentions are not simple to remove – water pollution, weirs and dams in rivers, low river water levels and seal populations that have increased five-fold in the past 40 years.

Property

House prices falling and number of mortgages falling too

Average house prices have fallen for the last three months, according to Nationwide, although they are still higher than a year ago due to rises in 2016. Prices have fallen most in London, with asking prices being reduced and more incentives offered to buyers. What happens in London can ripple out to other regions and this has prompted some commentators to suggest that it may be the start of a prolonged period of falls. Others think that the market has switched into a low or no growth phase as there are no factors forcing lots of people to sell, such as rising interest rates or redundancies. Mortgage approvals fell to a seven-month low in May, according to the Bank of England and the RICS has reported stagnant demand.

Residential rents start to fall

Rents across the UK were 0.3% lower in May than a year before, according to Home Let. This was the first annual fall in eight years. Rents fell most in London but also fell in the north east, south east, Yorkshire and Humberside and Scotland.

Businesses paying more business rates due to delays in Government discretionary relief

The Government has not issued guidance to local authorities on how to implement the £300m discretionary relief to small businesses that it announced in the March budget. This means that the authorities have been either delaying issuing rates demands or issuing them without the deduction from the relief. The amount of business rates payable changed following the revaluation in England and Wales that took effect from 1 April.

Sporting

Scotland: independent enquiry to be held into the licensing of game bird shooting

The enquiry will also consider how grouse moors are managed. It is being established due to concerns about wildlife crime and killing of raptors in particular. A new report from Scottish Natural Heritage says that 40 of 131 young golden eagles followed over a 12 year period disappeared in mysterious circumstances.