

# Land Business Update

Week commencing 17 April 2017

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## Farming

### **Scotland: NFUS calls for bigger buildings to be allowed under permitted development**

The NFU Scotland has called for permitted development rights to be revised so that they allow bigger buildings than the current 465m<sup>2</sup> to be built without making a planning application, as it says that the size limit does not reflect current farming needs.

### **European farm gate milk prices fell slightly in February after rising for six months**

Although prices are expected to have risen in March, the outlook is more uncertain as European milk production is expected to grow in 2017, which could cause further milk price cuts, especially when combined with rising production in the US and New Zealand and sluggish world demand. Farm gate milk prices were 13% higher than in February 2016 and 2% lower than the five-year average.

### **Demand for organic, gluten free and non-GMO foods has sharply risen, says Cargill**

Cargill, one of the world's largest commodity traders, is looking to invest more into these high growth speciality sectors. World gluten-free product sales are expected to rise from around \$3bn in 2015 by 50% to \$4.7bn in 2020, according to Euromonitor, as demand widens from groups who buy it due to medical needs to those who buy it as a life-style choice. Innovation has also made the foods tastier to eat. Although this trend has not significantly hit world demand for wheat and other cereals, demand in developing countries usually follows developed economies, and the trend is reported to be growing in countries like Brazil; it will accelerate further once a gluten-free product is made that has the taste and texture of bread. Demand for sugar has weakened as efforts to reduce obesity have hit demand, which has reduced sugar prices.

### **Neonicotinoids found in US tap water for the first time, albeit at very low levels**

It had previously been found in rivers and streams by a 2015 US Geological Survey study. The amount of the chemical in tap water is very dependent on the type of treatment the water has received, with some treatment plants barely removing any while others (activated carbon filtration systems) remove 80% or more. In the US, the Environmental Protection Agency has said that as of now the chemicals are not considered a threat to human health.

### **New Agri-Brexit Coalition to work together to represent the agri-supply industry**

The group of eight organisations (Agricultural Engineers Association, Agricultural Industries Confederation, British Society of Plant Breeders, Central Association of Agricultural Valuers, Crop Protection Association, Grain and Feed Trade Association, National Association of Agricultural Contractors, and National Office of Animal Health) will focus on key issues in the Brexit negotiations that affect the supply of goods, services, technology and advice to UK farmers.

### **ChemChina's purchase of Syngenta has been approved by EU regulators**

The regulatory approval is subject to the Chinese firm selling some of its existing European pesticide and growth regulator businesses (some of which is called Adama), in order to maintain adequate competition in the sector. The deal has also been approved by US regulators, subject to divesting a number of chemicals. Farming organisations have said that the deal could lead to higher prices for farmers, due to lower competition between input producers; the firms have said it will allow them to invest more in R&D, implying this could benefit farmers. Environmental bodies have called it a corporate takeover of food systems. We will wait and see!

## Business

### **Making Tax Digital trials have begun**

The Government has started trials of Making Tax Digital which, from April 2018, will require businesses and property landlords with income over £85,000 to keep digital records and send HMRC quarterly updates. Businesses that fall into the first tranche of MTD should ensure they have plans in place to either migrate or upgrade to compliant software. Those that outsource their bookkeeping should discuss with their provider and tax accountant to ensure their systems will be ready. Good news for those that already use S&P's bookkeeping or tax services as they don't have to do anything further at this stage. Please contact [Alex Heffer](#) for further details.

## Energy

### **Two-thirds of residential landlords unsure or unaware of energy efficiency rule changes**

500 landlords were surveyed by Eon about the Minimum Energy Efficiency Standards (MEES), which will prevent homes from being let if they have an Energy Performance Certificate of F or G from 2018. Over 300,000 homes are likely to fall into their category. Please call [Alexander Creed](#) for advice on MEES.

## Forestry

### **Step change in tree planting and support needed, says EFRA Committee**

The Environment, Food & Rural Affairs Committee's report Forestry in England: seeing the wood for the trees has challenged the Government to set out a proper plan including five year planting targets for how to increase tree cover in England to 12% of land area by 2060. S&P supports this approach as it makes the policy much more transparent and copies the successful approach taken by the Committee on Climate Change. It also calls for a better grant scheme to encourage planting than the current one and says that funding for forestry research, particularly on pests and diseases, is significantly underfunded.

### **Stellar Forestry Partnership is available to buy**

UK commercial forestry has been one of the top performing assets of the last decade, with an average annual return of 18%, according to MSCI / IPD which is a leading producer of property benchmarks. A large forestry investment opportunity is now for sale; the Stellar Forestry Partnership comprises 10 forests in north, central and south Scotland, covering 1,577 hectares with a guide price of £11.25m. Please contact [Jon Lambert](#) at John Clegg and Co.