

Land Business Update

Week commencing 11 September 2017

Property

New guide on rural affordable housing on rural exception sites

Strutt & Parker and Rural Housing Solutions have produced a new practical [hands-on guide](#) to help landowners navigate the process of delivering affordable housing on rural exception sites. Rural exception sites are small plots of land which would not be considered appropriate for open market housing, but can be developed to provide affordable homes that meet the needs of local residents. Please download the guide and also forward the link to anyone you think might be interested.

Energy efficiency: should we ban the sale of houses with poor energy efficiency?

A government-commissioned report has said one quarter of the energy currently used in UK housing could be cost-effectively saved by 2035, and potentially up to half. The papers have reported the authors, from Oxford and Sussex universities, as saying that one of the most effective ways of raising the energy efficiency of houses would be to tell house owners that they can't sell a house until it reaches a set level of efficiency, so a similar approach to emissions from new cars. This is not Government policy and it is not known whether it will be a proposal in the forthcoming Clean Growth Plan, which should be published in the next few weeks.

Farming

British agricultural policy: Gove reinforces messages on environment and food quality

In a speech to the Game and Wildlife Conservation Trust's all party parliamentary group, Michael Gove restated that support will be provided to land managers who produce the 'right environmental outcomes'. He said that the new policy will build on what already works and improve what doesn't. He also spoke about agroforestry, organic farming and the need to produce high quality food.

NFU calls for new regulatory environment

A new NFU report says that Brexit creates the opportunity to create a regulatory environment for farming that is 'streamlined, grounded in science and respects realistic farm practices'. It wants regulation that:

- Takes into account 'good farming practice'.
- Gives farmers 'earned recognition' due to membership of farm assurance schemes, and so reduce on-farm inspections.
- Has greater recognition of the impacts of regulation on business costs and operation.
- A more balanced application of the precautionary principle.

CAP-post 2020: Hogan hints that Member States will set their own risk management approaches

The EU farm commissioner said that different countries have different issues and so may decide to implement different approaches to reducing income volatility for farmers. The approaches he mentioned are insurance products, mutual funds, rural development programmes, income stabilisation tools and also private sector approaches. The EC's proposals for CAP-post 2020 will be published in November and will, predictably, be evolution, not revolution. Hogan also said that his preferred approach to replacing the UK's net contribution to budgets once it has left the EU would be for Member States to increase their contribution from 1% of Gross National Income. A group of MEPs has suggested that CAP reform is delayed until 2025 due to the uncertainty on budgets and policy caused by Brexit.

Glyphosate: France possibly to vote against the EC's re-authorisation

It is not clear whether France will support the re-authorisation, with the French environment minister saying it should not be re-authorised due to 'uncertainties about its safety' but the agricultural minister yet to publicly declare his intentions. Portugal may also vote against it. The two EU agencies meant to provide advice, the European Chemical Agency (ECHA) and European Food Standards Agency, have said that there is no ground to classify glyphosate as carcinogenic. The vote may be delayed from early October to possibly December, mainly due to the German election; re-authorisation needs a qualified majority so there will be a lot



of attention on how Germany will vote, as Angela Merkel's CDU party supports the re-approval but the SPD does not. The Germany elections are on 24 September.

EC starts investigation into price fixing in the fertiliser manufacturing industry

The investigation is due to concerns that fertiliser prices in Europe are being held artificially high and not falling in line with reducing energy costs. This issue was explored by the US-based International Food Policy Research Institute, which was commissioned by the Irish Farmers' Association.

UK farmer confidence dips as economic outlook is more uncertain

Confidence levels among UK farmers has fallen since 2016, mainly due to uncertainty stemming from Brexit, while it has increased in the other nine European countries surveyed by the EU's largest farm lobby COPA-COGECA.

Defra data on cereals stocks in June 2017 in England and Wales

June wheat stocks were 48% lower at 1.4 million tonnes in 2017 compared to 2016, although they are similar to 2011-2014 levels. Barley stocks were 34% lower at the end of June 2017 than a year previously, although above the levels in 2011-2013. The data comes from a survey of grain merchants, ports and storage facilities carried out in June each year.

Energy

Off-shore wind subsidy below £80/MWh for first time

The government has announced that subsidies for new off-shore wind turbine projects have fallen to below £80/MWh for the first time, which is a significant reduction from the £150/MWh contracts awarded in 2014 and £120/MWh in 2015. The subsidies have fallen due to the costs of developing these projects falling, due to: increased competition between operators; larger off-shore-designed turbines; cheaper foundations; simpler connections to the grid; and reduced maintenance costs, due to greater use of drones and sensors. This is exciting as it makes green energy production cheaper and also challenges the level of subsidies being paid for other technologies, such as Hinkley Point C's £92.50/MWh.