

A Monthly Briefing for UK Farmers – July 2022

- Defra has now confirmed the **Sustainable Farming Incentive (SFI)** is open for applications from 30th June. The full (and final) guidance for SFI 2022 can be accessed at <https://www.gov.uk/government/collections/sustainable-farming-incentive-guidance>. As has been previously written, the Sustainable Farming Incentive this year covers three land Standards – Arable & Horticultural Soils, Improved Grassland Soils and Moorland. The updated guidance provides more detail on the working of each Standard and what farmers will have to do.
- The **Government's Food Strategy** White Paper in response to Henry Dimbleby's independent review of the food sector has been met with a mixed reception. The contentious recommendations such as a salt and sugar tax, expansion of free school meals and a 30% target to reduce meat consumption have not been accepted. There is also nothing in the Strategy that changes the direction of English farm policy – the Agricultural Transition and ELM will continue. The full Strategy can be found at – <https://www.gov.uk/government/publications/government-food-strategy/government-food-strategy>.
- The **Adding Value** theme of the Farming Transformation Fund is now open for applications in England. Under this theme, £30 million will be available to support farmers and growers to process, diversify and add-value to their products. It will offer grants of between £25,000 and £300,000 for up to 40% of eligible project costs. As in previous rounds of the Fund, it is a two-stage process, with the initial stage an online checker which can be found at <https://check-farming-transformation-fund.defra.gov.uk/adding-value/start>. The guidance manual is available online via <https://www.gov.uk/government/publications/adding-value-grant-for-farmers-to-improve-crops-or-livestock>. The online checker will remain open until 21st July, after which those projects which score high enough will be invited to submit a full application. Applicants will have until 31st January 2024 to submit their application in full. *If you require assistance to make an application, please contact one of our consultants who are experienced in this area.*
- The Welsh Government is asking farmers and other members of the rural community to help with co-designing the **Sustainable Farming Scheme (SFS)**. Phase 1 has already been completed, the next phase of co-design will be launched some time over the summer and those interested are being asked to register now. Registration can be made via <https://gov.wales/co-design-sustainable-farming-scheme-wales>. *The SFS will be the main farm support in Wales in the future, replacing the current BPS and Glastir.*
- The UK has launched **Free Trade Agreement (FTA) negotiations** with the Gulf Cooperation Council (GCC). The region is the richest in the middle East and imports around 90% of all the food it consumes and is therefore seen as a lucrative market for British producers.
- The **GB potato area** is estimated to have reduced by 5%, compared with last year, to less than 110,000ha, which will be the smallest area on record. If the five-year average yield of 44.7t per ha is achieved then the British crop will be almost 4.9mt; about 200,000t less than the 2021 crop and the smallest since 2012. However, prices remain lacklustre with plenty of old crop weighing on the market. If prices do not improve for harvest 2022 crop, it is likely the 2023 area could be even smaller.
- According to reports, the New Zealand government is planning on introducing a **methane tax** on emissions from livestock in the country. The plan which has already been approved in principle by the Federated Farmers of NZ and other interested parties, includes incentives for farmers to reduce their emissions. There is an emissions trading scheme already in operation in the country, but agricultural emissions are currently exempt. Any revenue made from the scheme will be used to support R&D into the topic.
- **Sugar beet** growers are set to receive a significant price increase for next season. NFU Sugar and British Sugar have announced a beet price of £40 per tonne for 2023/24 crop; a 48% increase on the current price. Also included in the offer is a number of options for growers to opt-in to mitigate risk and provide yield protection.

Spotlight on Slurry Infrastructure Grants

Defra has released further information on the Slurry Infrastructure Grant (SIG). The grant will be available to help replace, build new or expand existing slurry stores to provide 6 months storage. Those that already have 6 months of slurry storage that is fit for purpose will not be eligible. Further details include:

- grant funding will be at 50% rates with grants from £25K to £250K (thus project sizes of £50K to £0.5m)
- initially they will only apply to dairy, beef and pig farms already on a slurry-based system – i.e. those operating a FYM system will not be eligible to get grants to 'convert' to slurry
- grants will fund projects that create up to 6 months' storage. If additional capacity beyond 6 months is constructed, this element will not be grant-funded
- the scheme will fund replacement, reconstruction and additions to storage
- stores will need to be covered. Grants will only be available for covering existing stores if they are extended. *It may be possible to apply for covers for existing stores via Countryside Stewardship*
- all types of storage will potentially be eligible including earth-bank, lined lagoons (as long as they can be covered)
- a manure management plan (to work out volumes of slurry) will be required – potentially signed-off by the Environment Agency. There will also need to be a Nutrient Management Plan to show how the stored slurry will be used

The window for applications is expected to open in the autumn. The SIG will be part of the Farming Investment Fund (FIF) and similar to the other (large) grants under this fund, applications will be competitive and will go through a two-stage process starting with an online checker, with full applications invited over the winter to those who are successful. Demand is expected to be high; applications offering the best environmental outcomes will be prioritised, which will mean those that are near to protected sites (i.e. SSSIs, ESAs) will be given priority. However, multiple rounds are expected, meaning those unsuccessful the first time around will be able to apply again.

Although not open yet, this grant could be a significant opportunity. Those who are thinking about updating their storage may wish to start preparing ahead of the scheme launch by doing such things as planning storage capacity requirements, thinking about the type of storage and where to put it, checking if you need to apply for Planning Permission (likely), securing quotes for work and discussing funding. If you require assistance with this do not hesitate to contact one of our consultants.

For further information please visit our website:

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