What factors are influencing the future of our rural markets across the south west
Agenda

• Welcome – Paul Cressy

• Farm Agency – Penny Dart

• Food and Farming - Adrian Matthews/Phil Goscomb

• Forestry – Peter Topham

• Q & A
South West Farmland Market

Penny Dart - Farm Agency
England - Publicly Marketed Farmland
Lowland farms/farmland over 50 acres with VP marketed in the National Press + Regional press & internet sites (since beginning 2013)

Source: Savills Research
Great Britain – Publically Marketed Farmland

- 95,164 acres
- 35% down on 5 year average
- 575 individual farms publically marketed
Lifestyle Properties and Residential Farms
Lockdown has driven a change in buyer requirements

- 56% More inclined to work from home in the future
- 66% Of those anticipate that they will do so for 3+ days a week
- 62% Said the amount of garden space or outside space has become more important
- 48% Said a village location is now more attractive
- 53% Said a countryside location is now more attractive
100% Agricultural Properties
England - by Land Type Average Land Values
All lowland types and grades, vacant possession excluding houses & quotas

Source: Savills Research
Market response better than expected

Transactions down but activity pleasing

Country residential bounce

Values resilient
Outlook: 2021 and beyond

- Detail of trade and policy reform is key
- Winners and losers expected
- Diversity of buying motives
- Strong residential demand
- Sustainable food and living
Agriculture Act - 2020

Adrian Matthews & Phil Goscomb – Food and Farming
Objectives – Drive competitiveness, increase productivity including the use of technology, generate fairer returns

Support – No change to what we already know – transition from BPS to public money for public goods to deliver on the 25 year environment plan and meet net zero emissions by 2050

Food Production – Still not included as “public good”, however there is a new clause “have regard to the need to encourage the production of food by producers”
Key Issues - Trade

**Food Security** – New requirement to report on food security issues at least every three years

**Supply Chain** – Transparency and fairness. The government will have powers to regulate to promote fair contracts between producers (of agricultural products) and farmers

**Trade** – Trade and Agriculture Commission to be given greater influence. Government to report to parliament on any new negotiated trade deals
Sector Update

Arable
- Five year high for wheat prices
- Barley lagging behind with a discount of £40/t from wheat
- Consultation in the future of urea fertiliser

Beef
- Low beef prices since 2019
- Prices have returned to a 2018 level since Covid-19
- Higher cereal prices likely to affect finishing margins

Dairy
- Milk price tracking above the five year average
- Increased production of storable products might have an impact on farm gate prices in 2021
- Purchased feed costs increasing due to higher cereal prices

Sheep
- Firm sheep market trade after some volatility earlier in the year
- October lamb production down 7%
- Further reduction in the national flock by 3.5%
- Ongoing concerns on the impact of a no deal Brexit from Jan 1st.
Opportunities now and for the future

Countryside Stewardship
- Marginal land
- Break crops
- £90/ha through £600+/ha
- Pathway to ELMS?
- Impact on CFAs/rented land

Biodiversity Net Gain
- 10% increase in biodiversity after development to achieve planning consent
- Biodiversity units
- Source ‘missing units’
- Local creation of habitat
- 30 year agreements
- Tax implications?

ELMS
- Pay for public goods the market won’t pay for
- Agriculture Bill
- Natural capital valuation approach
- Three tiered system

Net Zero
- Legally binding agreement by 2050
- NFU target of 2040
- Increasing efficiency & productivity
- “stop mining out of the middle earth”
- Regenerative agriculture
- Paid to sequester carbon?
“The price of doing the same old thing is far higher than the price of change.”

Bill Clinton
A Woodland Perspective

Peter Topham – Forestry
UK Land use today

Quick facts:
- UK land area 24m hectares
- South West 2.2m hectares (9%)
Government aim to increase UK woodland cover from 13% to 17% (~1,000,000 ha)

9% pro-rata share for the South West would be 90,000ha

25% Cornwall

Forest of Cornwall aims at 2%
Where will the woods go?

- Productive farmland
- Non productive
- SSSI
- Bodmin/Dartmoor/Exmoor
- AONB
- Coastal
- Urban areas

What’s left?
Carbon – Emissions and offsetting

Carbon market is voluntary currently though companies cannot ignore their emissions.

Pressure is building; the stick is getting bigger.

Example: BrewDog planting 1,500ac nr Loch Lomond to offset their emissions. Some individuals offset for flights etc.

Great Portland Estates (GPE) has set itself an aggressive internal carbon price to focus its efforts to become a carbon net zero business by 2030.

- GPE - £95/t
- Landsec - £80/t
- British Land - £60/t
- 2030 - £75/t
- 2050 - £100-£300/t
- Today - £5-£25/t
Woodland Carbon

- UK accreditation scheme
- Local
- Tangible
- UK based and backed
- Independently audited
- Additional source of income
- Minimal cost to register

Woodland Carbon Guarantee Scheme
- Government backed
- Guaranteed, for 35 years, inflation proof
- Option agreement
- Diversified income
Woodland Creation - Sources of funding

Countryside Stewardship
- Woodland creation grant
- Woodland creation maintenance payment

Non Countryside Stewardship
- Woodland creation planning grant (Forestry Innovation Fund)
- Woodland carbon fund
- Woodland carbon sales
- Woodland Carbon Guarantee Scheme
Steps to planting

1. Land suitable to plant
2. Devise woodland creation plan (WCPG)
3. Environmental Impact Assessment
4. Register with Woodland Carbon Code
5. Apply for Woodland Creation Grant Scheme
6. Plant
Summary

- Huge collective challenge to control emissions from all aspects of society
- Land predicted to change dramatically, supported by government policy
- Woodland creation seen as a key tool for emissions mitigation
- Low risk to scoping planting (WCPG)
- Nothing to lose by registering your planting Carbon units
- Carbon price projected to rise
  - .. As is the price of second hand cars in 2029