

UPDATE

CLM
NEWSLETTER
AUTUMN 2023

OUR SERVICES Farm Business & Estate Management • Planning & Development • Succession
• Land Sales & Acquisition • Biodiversity Net Gain, Ecology & Natural Capital • Diversification
• Residential and Commercial Property Letting & Management • Subsidies & Grants • Viticulture

SFI can make a 'meaningful contribution' to your bottom line

Despite teething problems, the Sustainable Farming Incentive (SFI) is now proving appealing to many farmers – so it's well worth considering what it can offer your business

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Not so long ago the SFI was mired in criticism. There had been delays to its rollout, IT issues were hindering applications and there had been a long period of doubt as to whether the payments were enough. Many, understandably, chose to sit on their hands and take a wait-and-see approach.

Now, however, farmers are feeling far more positive about it. Defra said, as at October 18, there had been more than 14,000 registrations of interest for what it called the "new and improved" SFI 2023, with those whose agreements started on 1 October having already received the early payment, representing 25% of the annual value.

The sums concerned are not game-changing and certainly won't fill the gap left by disappearing BPS revenue, but if an SFI agreement



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fits with the strategic direction of your business, it can make sense to sign up.

A lot of farmers, already in stewardship, are viewing it as an 'add-on', finding it offers a surprising amount of room for manoeuvre – and sometimes quite significant

sums of additional money – even on top of a fairly comprehensive stewardship agreement.

I have one client, for example, who already had a large area of the two-year sown legume fallow (AB15), but has bolted on the 'no insecticide' SFI option (IPM4), →

offering an additional £45/ha. This may not sound like a huge amount, but it's worth another £4,500 to that business and dovetails with the way they want to manage the land anyway.

Similarly, there may well be 'actions' that – if you're already in an assurance scheme or working mindful of the Farming Rules for Water regulations – you can claim for. Just two examples are the £589 available for producing a nutrient management review and the £989 for an integrated pest management plan. On bigger holdings, even in combination with ongoing CS schemes, I've seen all the different SFI components collectively add up to between £5,000 and £10,000.

Flexibility is one of the key aspects that is appealing about SFI. It offers the chance to reduce areas over the course of the agreement – so you could, for example, sow 100ha of a herbal ley in year one then reduce it by 50% in the second year. This flexibility is vital in a world where the economic climate and the returns from various crops are so volatile.

Meanwhile, the prescriptions are less onerous, so it's less restrictive than stewardship. It is also encouraging to see that those on rolling one-year tenancies can join. Defra and the RPA genuinely appear to have been listening in terms of farmers' feedback about how the system could be made workable. The 2022 offering was complicated, but now it feels far more familiar. It's a flexible, pick-and-mix system.

3 advantages of SFI

- 23 paid options
- Can 'stack' options on other schemes
- Flexible, pick-and-mix approach

Even the online application process, although still subject to a few shortcomings, is fairly intuitive.

I've heard cynics suggest that the government simply wanted to spend the £2bn that was in BPS pot so were desperate to get people to sign up. But it would be unfair to dub the SFI simply 'a giveaway with a green tinge'. It's better than that.

It will enable farmers to pursue the environmental benefits they're keen to deliver. Widespread planting of herbal leys, for example, will help soil structure, carbon sequestration,

wildlife and invertebrates. The net result will be more mixed farming which is good for the environment and good for individual businesses. We're likely to see mixed systems return to farms where they might have been absent for a generation.

Of course, it's not without its costs. The 'assess soil, produce a soil management plan and test soil organic matter' payment (SAM1), for example, is an attractive £5.80/ha, but the costs of about £20/sample need taking into consideration.

The SFI won't, in itself, bring wholesale change to the environment, but it will make a difference and, alongside the other elements of ELMs, is taking us in the right direction.

December is when BPS payments start landing and farmers will once again be confronted by the reality of these payments disappearing. Many have already taken steps to address this, but there'll be a lot of change and restructuring over the next few years.

Entering the SFI isn't going to turn the financial fortunes of your business around, but it can make a meaningful contribution to the bottom line. It isn't about to go away, either, as the government has committed to it. After years of uncertainty, farmers now have enough information to be able to make prudent decisions about their agricultural and environmental strategies – and going into SFI will be one decision that many quite rightly choose to take.

Don't forget...

Delinked Payments Information Statement

The RPA is sending out the reference data that they will use to calculate delinked BPS payments for all claimants between 2024 and 2027. This is not something to ignore and needs reviewing to ensure that you receive the full value of what remains of this scheme. Claimants have until February 29, 2024 to check this data and raise any issues or inaccuracies with the RPA.

- Providing Biodiversity Net Gain (BNG) could become an important revenue-generating opportunity for farmers and landowners. CLM can help with everything from calculating your 'baseline' and modelling habitat options to advising you on contracts and delivering schemes. To watch a two-minute film of how we can help you, please click the arrow on the right.



MEEES changes give rural landlords investment ‘breathing space’

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Property landlords have welcomed the government’s announcement that it is abandoning proposed changes to Minimum Energy Efficiency Standards (MEEES) which could have proved difficult and costly to comply with.

The plan had been to raise the minimum EPC rating for rental properties from E to C beginning on April 1, 2025 for new tenancies and April 1, 2028 for existing tenancies, but now there is no deadline to make such improvements.

It also scrapped plans to increase the ‘cost cap’ for complying to £10,000, so it will remain the case that if the improvements needed to bring a property to the minimum standard will cost more than £3,500 landlords can register for an exemption.

Landlords are breathing a sigh of relief at this news, as moving from an E to a C does present big challenges for some older, rural properties – especially if they’re listed.

The proposed £10,000 cost cap did seem a slightly arbitrary figure, so landlords were also pleased this was not implemented.

While it has taken the immediate pressure off, many will undertake such works anyway – both because of their environmental aspirations and because such improvements can make properties more rentable and, ultimately, more valuable. Ultimately, too, the direction of travel for



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policy in this area is clear – the government is and will continue to push for net-zero.

The cost-of-living crisis has prompted a slight cooling of demand for rented accommodation, compared with the frenetic levels of 2022 so, in the current market, making property as appealing as possible is important. While EPCs aren’t a perfect set of standards, would-be tenants do look at them, especially with energy prices as they are. The EPC rating might not swing a decision in itself on whether someone chooses to take a tenancy,

but it does have an influence.

Meanwhile, government has also delayed the ban on oil boilers from 2026 to 2035, representing another plus for some rural landlords.

For rural properties that don’t have access to the national grid for gas, the ban could have had a big impact. Homeowners and landlords now have more time to replace their fossil fuel heating systems with low-carbon alternatives, although some – such as heat-source pumps – aren’t necessarily always compatible with old properties and can be problematic to install.

Peace of mind and the best return on investment

CLM’s property management team can find great tenants, make sure your property is generating the highest possible income and give you peace of mind, knowing you’re meeting all your legal and financial requirements, while maximising your return on investment and protecting your asset’s long-term value. Our experts are members of the Royal Institution of Chartered Surveyors (RICS) and the professional and regulatory body for letting agents, ARLA Propertymark. For more information, email propertymanagement@c-l-m.co.uk or call 01892 770339.



COLIN D MILLER

Market-focused approach blends tradition and innovation

Sussex beef is set to reach new customers after starring in a tv show

A Sussex landowner, William De La Warr, who recently appeared on Marcus Wareing's hit BBC Two TV show has launched an online retailing service giving customers the chance to enjoy beef from his world-famous herd of Traditional Sussex Cattle.

Beef from Buckhurst Park was described as "incredible" by Michelin-starred chef and restaurateur Marcus, who travelled to Withyham for his TV series *Tales from a Kitchen Garden*. "It's so tender – absolutely outstanding in every way," he said, as he cooked sirloin and rib-eye steaks.

Building on the success of

Buckhurst Park Pork Sausages, the beef is vacuum packed and frozen. After the customer has selected their cuts, it is packed and sent out by courier with free delivery on orders over £50. It can also be collected from the Estate's pub, The Dorset Arms in Withyham.

"Many people, myself included, believe frozen beef is more tender than fresh beef so whenever I eat my own beef it's always been deep frozen," says Lord De La Warr.

Lord De La Warr has kept the Sussex breed of cattle, with its distinctive rich red-brown coat, for about 20 years at Buckhurst Park, which has been in his family for 900

years. The animals are not crossed with other breeds, making it the largest 'Traditional' Sussex herd in the country.

Famous for its marbling and flavour, meat from the herd has always been destined for plates both at home and in top-quality restaurants. It is also enjoyed by diners at The Dorset Arms.

For the first time the highly sought-after meat will be sold online, having been hung and matured on the bone for 28 days. In time, wild venison from the Estate will also be added.

"We've worked hard to promote the pure Sussex line



and are proud to have animals with a reputation for producing a flavoursome and quality meat,” says Lord De La Warr.

“We keep them on an entirely grass-fed system. They are hardy beasts, phenomenal at converting grass into meat and largely self-sufficient.

“With their small feet, they are particularly suited to the wet clay soil which is found in the Weald. The animals are lovely to keep, too – they’re so calm.”

Buckhurst Park now has more than 90 purebred Sussex breeding cows, but fearing the pure lines could be lost as more animals are crossed with other breeds, Lord De La Warr is also spearheading efforts to promote the traditional line far beyond the South East of England.

He has launched the Traditional Sussex Breeders Club, which will act as a network for buying and selling animals, improving the gene bank, sharing best practice, exploring marketing opportunities, as well as potentially performance measuring and benchmarking.

“The Traditional Sussex breed isn’t currently recognised by the Rare Breed Survival Trust, but we think there are well under 200 Traditional breeding cattle left,” he

“**BUCKHURST’S MOVE TO ONLINE WILL HELP THE ESTATE CULTIVATE A DIRECT RELATIONSHIP WITH CONSUMERS IN A WORLD WHERE DEVELOPING NICHE MARKETS AND BRANDS IS EVER-MORE IMPORTANT”**

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adds.

“This is one of the oldest breeds of cattle in the country. When the Normans arrived in 1066, they encountered red cattle in the Weald of Sussex and Kent, which were the direct forebears of the pure line we see today.”

According to land agent Jonathan Morris of CLM, who advises Buckhurst Estate, the Sussex breed could represent the perfect choice

for farmers looking for low-input, low-cost systems, producing high-quality beef.

“With ever-more focus on grass-fed, native breeds, the Sussex makes commercial as well as environmental sense.

“Buckhurst’s move to online will help the estate cultivate a direct relationship with consumers in a world where developing niche markets and brands is ever-more important,” says Mr Morris.

“As subsidies for direct agricultural production fall, farmers need to find new, market-focused ways to generate revenue – and dealing with customers direct is a way of adding value.

“Buckhurst has a proud heritage of innovation and its Sussex cattle represent a coming together of the traditional and the modern. It’s utilising a breed with roots dating back many centuries, but incorporating it into a progressive 21st century farming system while making the most of digital technology to ensure it reaches customers far and wide.

“Customers are seeking out products that have a ‘story’ and Buckhurst beef has centuries of history and heritage,” concludes Mr Morris.

CONTACT US

We are a 20-strong team including land agents, business consultants, planners, valuers, environmental experts, agriculturalists, ecologists and property experts. For more information about the topics in this issue, please get in touch with your existing CLM adviser or, for new enquiries, contact one of our directors.



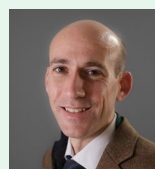
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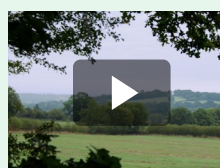
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about CLM and how we
can help you.

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