



FARMING AND PROPERTY BULLETIN – ISSUE 1 – JANUARY 2023

Wishing all our clients a very
**Happy & Prosperous New Year from
everyone at Adkin!**



An update on the recent changes to the Environmental Land Management Scheme (ELMS)

Recent reviews of the Environmental Land Management (ELM) scheme have seen some changes to the original design.

The scheme was ultimately designed to have three branches; the Sustainable Farming Incentive scheme, the Local Nature Recovery scheme and a Landscape Recovery scheme.

The first change is to the proposed **Local Nature Recovery (LNR)** scheme, which was due to be launched in 2023, this will no longer happen. Instead, this branch of the ELM will be covered by a **modified and enhanced Countryside Stewardship Scheme**. The change was decided based on the fact that this would carry less risk modifying a current scheme than starting from scratch and would like have a greater level of participation from farmers. The DEFRA secretary Therese Coffey explained at a recent CLA conference that 30,000 farmers are now in Countryside Stewardship, which is an increase in 94% in the last 3 years. Countryside Stewardship it therefore deemed to be widely accepted and by modifying this scheme there is likely to be increased participation.

Meanwhile a change has been made to the **Sustainable Farming Incentive (SFI)** management payments. All participants, including those that are already within an agreement, will now be eligible for a Management Payment of £20 per hectare, for up to 50 hectares of land entered in the scheme. This will result in some farmers receiving up to £1000 per year in addition to their current agreement payments. This payment is in recognition of the costs of participation and intends to encourage more farmers to sign up to the scheme. This payment will, in particular, benefit smaller farms with for example, a 50-hectare farm receiving a potential increase of as much as 50% on the current payment rates. Some standards such as the moorland standard are not eligible for this payment but, those agreements that include substantive actions, such as changing land management activities will receive the payment. The full details of how the payment will be applied is expected in due course. This payment will also be kept under review for a further two years to ensure that farmers are supported with the uptake.

Currently, the only standards within the SFI are in relation to soils but, we expect to have an announcement in the coming weeks about the additional standards available from 2023.



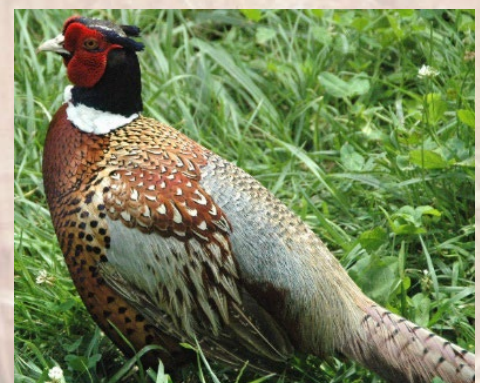
The **Landscape Recovery** has been operating in a 'pilot' format for the past 12-months. The Landscape Recovery supports bespoke agreements to deliver large-scale nature recovery projects. 15 pilot projects have been run and applications are expected to open again this year for some further projects with the full launch of the scheme expected in 2024.

If you are interested in applying for Sustainable Farming Incentive or, the Countryside Stewardship scheme please contact us and we will be happy to help and draw up a proposal.

An Update on 'Catching up' of Pheasants

Following the publication of a new DEFRA risk assessment, it has been confirmed that 'catching up', the process of taking wild gamebirds for restocking breeding purposes is permitted subject to important changes.

The new measures, as a result of the risk assessment, include a requirement for caught up birds to be kept for a minimum of 21 days before they can be moved to another premises. This time-scale is in line with other movement restrictions associated with avian influenza. This measure is expected to help further reduce the risk of spreading the disease.



Housing Market Update

For the fourth consecutive month, house prices fell nationally in December down by 0.1% which according to Nationwide put growth for 2022 as a whole at 2.8%. The first three quarters of 2022 saw strong price growth but a fall in the fourth quarter. The Royal Institute of Chartered Surveyors has reported a fall in both supply and demand within the housing market in November 2022 and, according to the bank of England, mortgage approvals dropped by 28.6% in November 2022 compared to the average of the same month in 2018 and 2019. Despite these figures, the percentage of transactions in the housing market remained 2.9% above the 2017 – 2019 average for November. This is due to a large number of mortgage agreements predating the



mini budget in September 2022. From here on, activity is expected to be constrained by high mortgage rates. Although Oxford Economics forecasts that inflation is likely past its peak, it is expected that the base rate won't fall until early 2024. House prices aren't expected to rise again until inflation starts to fall, and incomes start to rise. Buyer's confidence of the uncertain economic outlook isn't likely to be helping the market either.

REPORT ON THE 2023 AUCTION OF HAY & STRAW

The 62nd Adkin/Thimbleby & Shorland Annual Sale of Hay & Straw was held live and online again this year, with prospective buyers roughly divided equally between those in the room and those bidding remotely. A strong demand for hay and a very weak market for straw are the predictable outcomes of an exceptionally dry summer and a prolonged open autumn. Although grass seemed to continue to grow until very late in the year this did not make up for the lower yields and unseasonable usage due to the spring/summer drought. Straw yields however did not seem to be that badly affected and with usage well down there is little demand. There was a 100% clearance of hay all bar one lot of round bales. Fortunately, there was little straw entered this year.

Auctioneer Chris Boreham said: "It was very pleasing to see such a good trade for hay, and fortunately the bulk of the lots were of hay with little straw entered this year. The future continues to look volatile, and that is without trying to guess what surprises the weather may have in store for 2023! It is noticeable however that regular vendors who know their market are generally successful in selling whatever the prevailing circumstances"

Thanks go to all parties for continuing to support the sale, and to those newer vendors. Things remain unpredictable with cropping and fertiliser usage still uncertain. The principal prices achieved were:

HAY

Meadow

Big Bales

Top price Claas 2100 bales Meadow Hay £35 per bale (approximately £140/tonne) (Marcham Farms Ltd).

Average approx. £118/tonne. 100% clearance.

Conventional Bales

Top price £4/bale (A&S Franklin). Average £3.25/bale. 100% clearance.

Seeds

Big Bales

Top price NH BB870 bales Seeds Hay £50 per bale (approximately £150/tonne) (G D Lay & Partners). 100% clearance

STRAW

Wheat Straw

Big Bales

Class 3200 bales £15 per bale (approx. £45/tonne) (Gale Estates Ltd).

SILAGE

Krone (0.7 x 1.2 x 1.6) bales grass silage £26/bale.