

UNITED KINGDOM

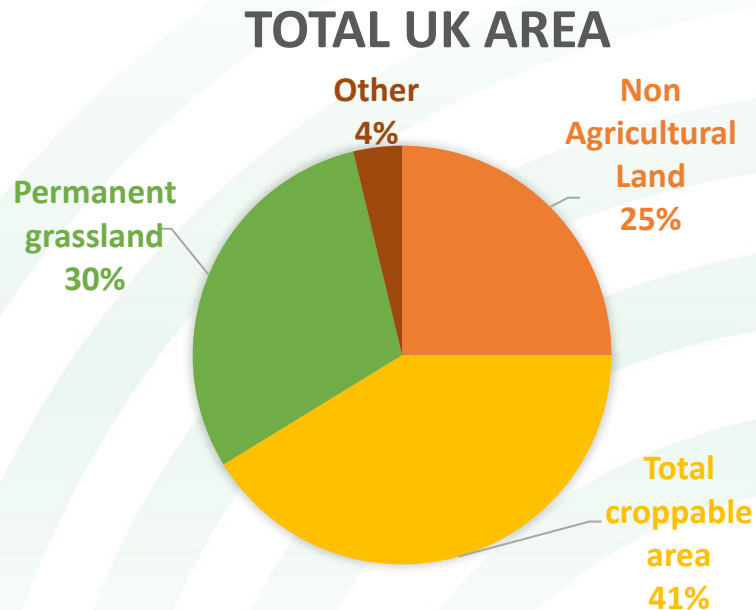
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Next Generation Forum Chair



Agricultural Structure of the UK

- **Utilised agricultural land makes up over 74% of the total area of the UK.**
 - Over 6 million ha of croppable land.
 - ~10 million cattle and calves.
 - ~33 million sheep and lambs.
- **Average farm size is ~87ha.**
 - However, there is a huge range captured in this figure, with **many businesses now farming multiple holdings.**
- **The majority of our 46,000 NFU members are family businesses of some sort.**



Main Challenges

- **Cost inflation and volatility**
- **Huge policy uncertainty**
 - Trade deals
 - Domestic support
- **Retail competition**

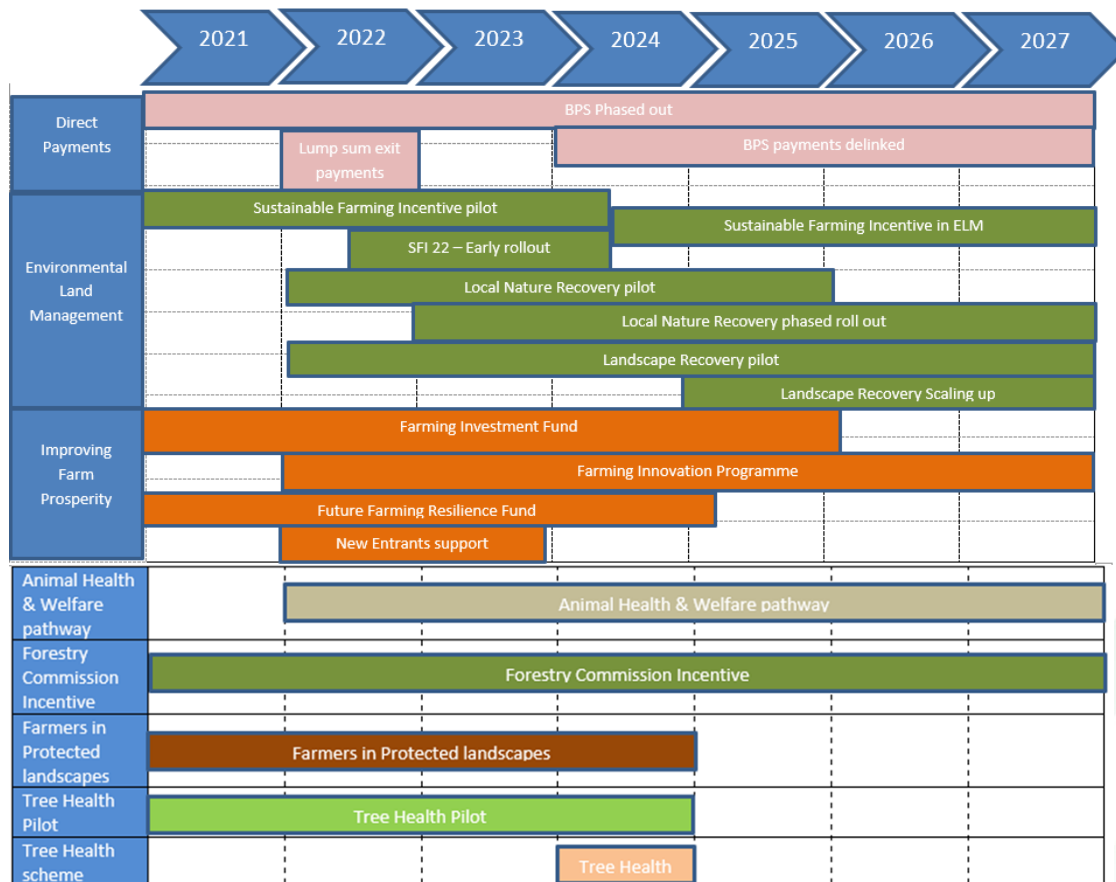
Family Farms Policy

The UK has very little policy relating specifically to family farms:

- Agricultural property relief offers **100% relief from Inheritance Tax** for some agricultural property, allowing family farms to be passed on through generations without having to sell any off to pay the Inheritance Tax bill.
- **Multigenerational tenancies** - Agricultural Holdings Act tenancies created before 1984 have two family successions provided the successor has derived their principal source of livelihood from the farm for 5 out of the last 7 years.
 - Tenancies created after 1984 do not have succession rights.

Government Support

- Following Brexit and the move away from the CAP, UK devolved nations are developing new agricultural policy.
- In England this is the **Agricultural Transition Plan (ATP)**. The ATP moves away from direct payments and towards '**public money for public goods**'.
- Subsidies and grants will be available for:
 - **Environmental outcomes** at the on-farm, local, and landscape scale.
 - **Animal health and welfare** objectives.
 - **Farm equipment and technology**.
 - **Business advice**.



What is the latest on: Defra Funding for Farm Diversification?

- **In May 2022** the Department for Levelling Up, Housing and Communities (DLUHC) alongside Defra announced a budget had been allocated to replace some of the former socio- economic schemes of the Rural Development Programme for England (RDPE). The current Agricultural Transition Plan did not pick up all the activity previously covered by the RDPE, and this created a gap in post EU funding support for rural areas which has existed since the last RPDE funding opportunities closed.
- The new funding will cover elements under the former RDPE LEADER and Growth Programme activity which supported rural diversification and tourism. This has been an area the NFU has pushed for continued support in.
- **In early September 2022** further information set out that this new fund, the **Rural England Prosperity Fund** would provide **£110 million rural-specific funding** aimed at delivering capital grants to support local business community and place-based projects e.g. wedding venues, livery yards, farm shops, EV charging stations, and other diversification projects.

What is the latest on: Defra Funding for Farm Diversification?

- These new monies will be used in 2022/23 to 2024/25 period As a reference, under the RDPE 2014-20 these programmes totalled £336m.
- The fund cannot be used to support projects that have received funding from other schemes such as Farming in Protected Landscapes Programme or the Farming Investment Fund.
- Defra will be ensuring that monies employed are not used for duplicated UKSPF funding and instead aim to align them with UKSPF spending. The Fund has been split and allocated to Local Authorities which are considered rural in nature. It is the Local Authorities that will administer the funds based on criteria it and DLUHC set out. The timeline is set out below:

Fund Launch	3 rd September 2022
Rural Fund Addendum Platform Launch	12 th September 2022
Rural Fund Addendum Submission Window	3 rd October-30 th November 2022
Rural Fund Assessment Period for Government	November 2022-January 2023
First Payments Expected to Lead Local Authorities	April 2023
Funding Period	April 2023- March 2025