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## NFU Recommendations to the Reset Initiative

### Introduction

**The agriculture sector is uniquely positioned to deliver broad environmental outcomes whilst simultaneously driving productivity and levelling up economic growth and job opportunities in rural economies through leveraging improvements in built infrastructure alongside green infrastructure.**

The impact of COVID-19 has been significant on rural communities with lockdown threatening the viability of many rural businesses due in part to the loss of hospitality and food service markets for farmers, reduced capital investment due to low business confidence and a reduction in rural tourism. As the Government and industry begin work to revive the economy, the current Bank of England Governor Andrew Bailey has said that we have a “once-in-a-lifetime opportunity” to rebuild the economy and its resilience against the threat of climate change. Going further, this is also an opportune moment to accelerate the levelling-up agenda, promoting regional and rural economic growth in order to support a just rural transition towards net zero where no community is left behind in the drive for a more sustainable economy. We believe that both green and built infrastructure improvements in tandem can work together to provide significant synergies to realise a more resilient, vibrant, and sustainable rural economy.

In this endeavour, the agriculture sector has the ability to directly enhance a broad range of natural capital contributing towards net zero targets, biodiversity improvements and improvements in water quality and flow amongst a range of other ecosystem services. In line with the green recovery agenda, agricultural investment in built and natural solutions which create and enhance natural capital is simultaneously able to enhance farm productivity whilst also stimulating demand for rural tourism, local contractors, trade and services from rural SME's to support the green transition. To put this into context, 65% of farm businesses have a diversified activity with a fifth hosting solar energy, a tenth hosting other forms of renewable energy and a significant proportion operating food processing, retailing, hospitality and leisure enterprises. Therefore, enabling green investment will be to work with motivated entrepreneurial businesses who can provide a unique route to levelling up economic progress, especially in remote rural areas. Working with farming is particularly relevant to the manufacturing sector where British agriculture is the bedrock to the agri-food sector worth £120 billion to the UK economy and employing 13% of the workforce. As such, investment in a sustainable farming sector will underpin and shape the recovery and resilience of the agri-food sector as it recovers and adapts following Covid-19.

Local Industrial Strategies alongside Mayoral Combined Authorities and Local Enterprise Partnerships as well as the development of the Shared Prosperity Fund being led by MHCLG have the potential to play a central role in the green recovery and the levelling up agenda as do the agriculture specific land management measures being devised by DEFRA. **As such, it is crucial that the role of British farmers and growers in driving the green recovery is reflected within emerging cross-departmental policies in order to catalyse rural economic growth in a manner consistent with the need to safeguard and enhance our natural capital.**

This paper outlines a range of recommendations that would help to mobilise sustainable investment in the rural economy. It focuses on both on-farm investment as well as broader investment in rural infrastructure and the farmed environment to promote an inclusive recovery.

### **Which areas of infrastructure investment should we prioritise for early action to drive economic recovery and support delivery of net zero and our broader environmental objectives?**

In this section we focus on the opportunities for on-farm investment which should be prioritised to drive economic recovery and deliver against the broad range of environmental objectives detailed in the 25 Year Environment Plan. In the final section of this paper we go on to explore the broader rural infrastructure investments that should be prioritised within Local Industrial Strategies, by future structural funds as well as other support mechanisms to underpin a sustainable economic recovery.

Investment priorities to drive green growth in the agriculture sector include,

- **Integrated water infrastructure** to support sustainable food production
- **Improvements in farm buildings and structures** to support the achievement of net zero targets
- **Green infrastructure through existing and future agri-environment schemes** to improve water use, nutrient use and soil quality driving resource use efficiency whilst delivering improvements to biodiversity, water quality and flow and carbon sequestration.

#### Investment in integrated water infrastructure (Sustainable water for food and environment)

Food security is a national priority as the [government pledges](#) “to enable an innovative, productive and competitive food supply chain from farm and sea to fork, that invests in its people and skills”. There is a clear opportunity for British farming to become a global leader in delivering food security as outlined in the NFU’s [‘The Future of Food 2040’](#) report while managing water sustainably. Key to the delivery of more integrated management of water will be the construction of more sustainable and resilient water infrastructure (built interventions as well as the way water is used) that recognises and adequately values its benefit to the environment, communities and the economy. Approaches to flood and drought risk management need to ‘join up’, to be more innovative and more ambitious. In particular we should no longer discard ‘surplus’ freshwater into the sea when other communities are crying out for the resource.

Our case for water for food is based on:

- A secure supply of water is essential to grow and process high quality food and to sustain the UK’s largest manufacturing sector.

- Flooded land is unproductive land. The longer the land is inundated the longer the recovery time for the soil.

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- Increasing water demands from other sectors and greater water scarcity caused by droughts and climate change already threaten agriculture's ability to sustain and increase efficient, high quality food production, at affordable prices.
- Reducing the UK food chain's global water footprint by using the UK's relatively abundant natural resource (rainfall) more effectively in growing food. Food imports currently may be sourced from countries equally or more affected by water scarcity, thereby leading to irreversible environmental and social consequences and significant environmental 'leakage' with adverse environmental impacts being exported to our global trading partners.

### Recommendations:

- 1. Reform planning and licensing regulations** that impede the construction of more on-farm water storage reservoirs
- 2. Develop and promote best practice** in the management of soil and other resources to improve farm resilience
- 3. Introduce incentives through the tax system to encourage investment in infrastructure** such as farm reservoirs, innovative water efficient irrigation and water management techniques through new farmed environment schemes to encourage adoption of practices such as good soil management, all of which will contribute to water efficiency measures delivering more crop per drop
- 4. Where agricultural land is part of the solution to flooding as part of total catchment management, such as natural flood management or flood water storage, this **catchment management must be planned, agreed and paid for**. More information can be found in the [NFU Flooding Manifesto](#)**
- 5. Government itself has identified the clear need for water infrastructure** (designed to manage water risks and resource e.g. ambitious flood storage schemes, innovative water resource projects) that are fit for the future. Water infrastructure is desperately needed across the country that adequately considers the risks from water as a hazard and as a resource. In particular, there is a need for strategic investment in infrastructure that will allow water to be moved to where there is a surplus to where there is a resource need, reducing the pressure on stretched resources.

### Infrastructure to meet net zero, air and water quality targets

Investment in modern and new buildings and infrastructure, such as slurry storage, all have a huge role to play in helping the agriculture sector retain the capacity to produce food while also improving air quality and animal health and welfare outcomes. If the agricultural sector is to meet a number of challenges in future, including to meet 'net zero' or meet the requirements of the Clean Air Strategy, new agricultural development will be needed. A case in point is the interpretation of the Dutch Nitrogen cases (C 293/17 and C 294/17). However, we are increasingly seeing that relevant authorities have insufficient certainty that a plan or project (planning permissions, permit, etc) would not have an adverse effect on the EU protected site(s) and so these plans and projects are unable to pass 'appropriate assessment' required under the Habitats Directive. **If an increasingly precautionary approach is taken by regulators and local planning authorities then modernisation, but also improvement in our emissions reductions, will be hampered in some rural areas.** Such investment also supports economic growth in rural economies where capital investment generally requires spending with contractors to deliver the output, benefiting the wider economy. Farm businesses usually deal with local trades and SMEs. There are a number of key existing avenues for supporting investment which the Government should look to build upon and strengthen.

### Recommendations:

1. **Increase investment in infrastructure in rural areas that will support net zero aspirations** including mobile and broadband access, electric vehicle charging points, energy efficient housing, public transportation, and other projects.
2. Ensure the **regulatory approach taken by authorities on infrastructure improvements is more joined up across government and more enabling and consistent** where there are clear benefits to reducing emissions.
3. Deliver **grant funding to underpin the economic viability of infrastructure** supporting the mitigation of greenhouse gas emissions. This includes energy efficiency improvements to farm buildings, slurry storage as well as technologies such as 'low emission' spreading equipment and low emissions vehicles.
4. Devise **attractive and accessible grant and land management payments** through the Environmental Land Management Scheme (ELMS)
5. **Expand Catchment Sensitive Farming (CSF) across the country.** Further advice could also be delivered through an expanded CSF programme as well as industry initiatives, such as CFE (Championing the Farmed Environment), with greater support from the Government.
6. **Allow Countryside Stewardship agreements for capital only activity,** beyond the current offer. In Countryside Stewardship there are a range of capital items available that could deliver a 'win, win' for environment and productivity. These go beyond the grants available in CSF and could be further expanded.
7. **Increase the intervention rate for Countryside Stewardship capital grants.** The example was set a couple of years ago to support the dairy sector. The intervention rate for slurry store covers was increased leading to improved uptake.
8. **Incentivise animal health and welfare improvements through mobilising grants for infrastructure improvements** as well as monitoring and handling equipment alongside payments for encouraging best practice.

### What action should we take to align investment in the UK and globally with net zero and to protect natural capital?

To achieve our aim of meeting [net zero by 2040](#), we will need a range of measures, including improving farmland carbon storage. Specifically, enhancing hedgerows, increasing tree planting (including single trees, agroforestry and woodland planting) and boosting soil organic matter all contribute to our farmland carbon storage.

**Policy must develop to address the current barriers that exist which prevent farmers from engaging in tree planting activities**, for example the low payment rates which do not cover ongoing maintenance costs or the minimum eligibility threshold of 3 hectares for planting grants through the current Countryside Stewardship scheme. It is crucial going forward that farmers that volunteer to engage with tree planting on farm are offered a fair financial reward to cover the upfront capital, the ongoing maintenance and a price that reflects the long-term commitment being delivered. To enable the uptake required to help meet the Governments manifesto commitment, tree planting must work for farming business', alongside food production and it must be incentivised to attract land managers and owners. All forms of trees, including those found in hedgerows, single trees found on farm, lines of trees and woodlands must be encouraged and recognised for their

environmental benefits.

During the past 30 or so years, there has been substantial engagement by farmers with voluntary environment schemes, with 70% of agricultural land in agri-environment schemes at their peak. We have seen a drop-off in the uptake of agri-environment schemes in recent years – largely driven by changes in policy, design, deliverability and accessibility. There is now a window of opportunity to rectify this decline in uptake with a future environmental policy that consists of a mix of incentive schemes, including an Environmental Land Management Scheme (ELMS), complemented by new approaches to funding environmental delivery, such as Payments for

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Ecosystem Services, and industry-led action to improve environmental delivery. There are a number of actions that need to be taken to facilitate the join up between net zero and farmland carbon storage as well as other forms of natural capital.

### Improve Countryside Stewardship

A more near-term course of action government can take to invest in net zero and natural capital is to make continued improvements to Countryside Stewardship, the current farm-based agri-environment scheme, to offer better incentives to farmers to participate. Countryside Stewardship agreements may be still be in place until 2028, so ensuring that farmers can still participate is key.

### **Recommendations:**

- 1. Simpler requirements for agreement holders** (such as a more proportionate and practical approach to record keeping and evidence)
- 2. A more proportionate approach to penalties** and breaches of agreements to reduce the risks associated with participation
- 3. More appropriate options and increased payment rates**, particularly for grassland and uplands
- 4. Making payments to farmers in the first month of the payment window** (December), which would improve business cash flow and give confidence to businesses to invest in a green recovery
- 5. Offering greater flexibility through multiple application dates**, instead of one rigid annual application window.

### Ensure timely rollout of the Environmental Land Management Scheme (ELMS)

The Government must ensure that the future Environmental Land Management Scheme (ELMS) takes a holistic approach to environmental objectives across the landscape in tandem with promoting productive farming; the dual ambitions of environmental and productivity gains should be viewed as entirely compatible. From 2024, ELMS, will start to be rolled out and from 2028, the scheme is anticipated to be fully operational. It should seek to deliver for water and air quality and landscape character. The scheme can deliver for wildlife, natural flood management, historic environment, soil management, climate change mitigation and adaptation, woodland, forestry and upland areas. We have seen the significant role for society that access to the wider countryside has played during Covid-19. It is also an important way for the farming industry to engage with the consumers and for these reasons we believe it should remain a feature of the future scheme. The effective development and delivery of this scheme has the potential to play an key role in growing the rural economy. Capital grant funding to improve infrastructure will stimulate investment in local contractors, trades and SME's to promote jobs in green infrastructure development. In addition, the access and amenity value associated with enhanced landscapes would help support rural tourism, an area which has been acutely impacted by Covid-19, but which also has the potential for a strong revival with domestic tourism displacing international destinations. This focus on staying local has clear environmental benefits in reducing transport emissions whilst boosting local

economies.

#### Recommendations:

- 1. ELMS should be a farm-based scheme that all farmers can access, in perpetuity.** The scheme needs to encourage the production of food by producers in England alongside environmental delivery for the lifetime of ELMS. A high uptake of ELMS can deliver across the whole countryside supporting multiple environmental outcomes, including net zero (such as hedge management, tree planting and soil management). In addition, the scheme needs to have a high level of farmer uptake in order to deliver a ‘bigger better and more joined up’ approach, as per the principles of Lawton.

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- 2. There needs to be support in the scheme for environmental maintenance.** For example, hedge maintenance comes at a cost to the farmer but delivers for net zero and the wider environment, providing wildlife corridors and supporting pollinators. Support or payment is needed for the on-going delivery of these environmental goods.
- 3. Fair reward.** Payments need to offer a fair reward and an incentive for participation, going beyond the current ‘income foregone’ calculation.
- 4. Farms are dynamic businesses and so ELMS needs to reflect those different structures and tenures to ensure inclusivity.** Business partnerships are constantly changing as is the land managed by any one business. The average length of a farm business tenancy is less than three years. ELMS agreements for the whole farm of five years plus would not provide the required flexibility.
- 5. ELMS should deliver across the whole country.** From the current detail available it is not clear how all farming sectors or geographies will be able to engage in the scheme. Upland members are particularly concerned that there is nothing appropriate in the Tier 1 offer to give them confidence their environmental delivery will continue to be rewarded.
- 6. Lessons should be learnt from past schemes.** There is a lot of knowledge about successful delivery from past schemes. It is important this knowledge is built on.

#### What are the key regulatory barriers weakening incentives to invest in net zero, and how do we address them?

There exist a range of regulatory and structural barriers that impede the agricultural transition to net zero including an unresponsive and costly planning system, disproportionate state aid limitations for targeted grant support, underinvestment in rural infrastructure and the need for the development of competitive carbon markets. See also our comments earlier in this paper on the increasingly precautionary approach taken by regulators with respect to infrastructure development regarding the appropriate assessment of cumulative impact. This is both adding additional costs to farm businesses in providing evidence to show that a development or activities will not cause adverse effects on EU protected site(s); but it is also resulting in halting improvement in the efficiency and modernisation of the agricultural sector. To fully enable the agricultural sector to be part of the solution to meet ‘net zero’, then more modern, efficient buildings and new agricultural development will be needed. Therefore, more practical and cost-effective regulatory approaches are needed to ensure that development and other agricultural activities can continue, because simply taking land out of agricultural production is a short-term and short-sighted view.

#### Recommendations:

- 1. Prioritisation and fast tracking of planning applications that are aligned with net zero goals and**

**supporting enhanced permitted development rights to deliver such projects.** In its current form, the planning system can be an impediment through its high costs and slow speed of getting applications through. Solutions might include focusing on projects that will have the greatest impact on sustainability, such as new and replacement agricultural buildings and operations and renewable energy projects. This includes ensuring even where there are strict planning controls, there is still scope to improve older rural homes. For example, work on [housing insulation](#) should be supported.

2. **Focus on investing in 'green jobs'.** Farmers will also need the skills and technology available to increase productivity on farm through technological advancements and better understanding of the most productive farming methods. The International Labour Organisation (ILO) maintain that the just transition should not result in job loss, but in retraining and up-skilling. This will serve to create opportunities that will encourage young workers to rural areas. Currently, there is an issue with rural areas becoming increasingly aged. Young people need to be encouraged to move into rural areas to ensure the longevity of the communities.

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3. **Support provision of key rural infrastructure (digital, energy connections, EV charging, building modernisation).** Enhanced and more extensive mobile and broadband coverage to support new agri-tech such as data collection on livestock movements, precision agriculture and guidance for semi-autonomous machinery as seen in our annual [Digital Technology Survey](#); upgraded capacity, streamlined regulatory processes and support for energy storage to enable on-farm renewable energy to interface with the electricity and gas grids; prioritisation of electric vehicle charge points to support rural dwellers and tourists alike; planning practice guidance (last updated 2015) needs to specifically reference how energy efficient agricultural buildings and energy infrastructure (including energy storage) contribute to 'net zero' not just 'low carbon'.
4. **Provide an exemption from non-domestic rates on renewable energy and associated battery storage installations** so as to remove a barrier to innovative green investment.
5. **Deliver a robust carbon price to enable on-farm C storage in vegetation and soils (for example, ELMS could use a 'shadow' carbon price to drive a range of environmental outcomes).** Given the proposals to introduce a UK-wide Emissions Trading System (ETS) and a need to align with a potential future EU Carbon Border Adjustment mechanism, we propose that a real or 'shadow' carbon price is adopted by Defra as the basis for payment for public goods/results instead of income forgone.
6. **More explicit support for a strong domestic bioenergy supply chain, including primary as well as secondary resources.** BEIS and Defra must join up their interests and endorse the flexibility and versatility of bioenergy feedstocks, available in significant quantities from UK land to meet multiple different uses that contribute to net zero, and often a source of additional profit alongside food production rather than competing with it. Bioenergy is much more than just the diversion of wastes.
7. **Develop a competitive market in greenhouse gas removals at a range of scales, accessible to all players.** Carbon-negative technology is not confined to large-scale capture and geological storage of CO<sub>2</sub>; we believe smaller-scale opportunities will exist for farmers, coupled to AD (biogas) plants or in the form of novel land spreading of charcoal or "enhanced weathering" minerals.
8. **Extend existing grant support to electric non-road vehicles.** The Department for Transport and the Office of Low Emission Vehicles does not currently provide 20% grant support for electric non-road vehicles like quad bikes, because they believe agriculture falls outside the General Block Exemption Regulation (GBER) for state aids. This is counterproductive for our net zero aspirations.
9. **Ensure that tax legislation supports wider Government policy.** For instance, the definition of 'agriculture' for capital tax purposes should be reviewed, as noted in the recent Committee on Climate Change report ['Land Use: Policies for a Net Zero UK'](#), to ensure it reflects the new expectations of land-based businesses and does not act as a barrier to desired alternative use.

**How can we more effectively support businesses across the economy in acting to access**

## **growing low carbon markets and support delivery of net zero? (e.g. innovation support, advice, regulatory barriers)**

Similar to the planning approach advocated in the previous section, government grants and funding should be priorities for projects that best support net-zero actions. In the long-term, new approaches may increasingly complement, but may also need to co-exist alongside, government schemes. Payments for Ecosystem Services are just a few examples of new markets or initiatives that have recently emerged and with further encouragement could continue to develop in the future. These new approaches could be funded by the private or public sector, or a mixture of both.

With regard to some alternative environmental delivery models, a **business to business transaction or a new market approach may be attractive to many farmers**. The challenge will be to develop approaches that reward multiple benefits, deliver a fair financial payment for the services provided and minimise administrative costs. With this in mind, farmers should be able to gain reward for a range of benefits delivered such as carbon sequestration and flood prevention from the same area of land, even if the funding comes from different sources.

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Financial payments offered also need to reflect and fairly reward farmers for the full costs of delivery as well as future losses. For example, a permanent land use change from arable production to wet grassland could be completed through a 10-year agreement. It would require payments for all capital works together with annual management costs and recognition of the permanent land use change. Administrative costs must be minimised to ensure that funding can be directed towards farmers undertaking the environmental delivery, not through intermediaries or third parties.

Farmers would be willing to participate in these new market approaches, provided that these are voluntary, the obligations set out actions are achievable, are flexible to respond to the challenges thrown up by the natural environment and recognise and respond to the needs of the farming business, such as future modification, but also termination. However, contracts of more than 20 years are unlikely to be adopted. This is because farmers want to retain future flexibility for land use to respond to the markets. Such long agreements would be a constraint on future generations who should make their own decisions on how to manage the land.

New approaches also provide the opportunity to devise new funding and reward models in addition to public funds, which should be sustainable in the long term and draw additional monies from the market. Significant benefits may be achieved in terms of realising synergies and efficiencies in fund management, project monitoring and reducing financial risk to individual entities. This in turn may then encourage farmers to both work collaboratively across a larger area and ensure greater participation from a broader range of stakeholders. This leveraging effect, whereby public funding encourages greater levels of private sector engagement, could unlock more capital for farmers to use to invest in technology and infrastructure beneficial to the environment.

**Government support to encourage and de-risk greater farmer collaboration for multi-scale environmental delivery has the potential to spur greater innovation and engagement in delivery towards Net Zero targets as well as solutions for natural flood management.** Support would include facilitation funding to enable the formalisation of such groups which enable the development of equitable agreements between farmer groups, public bodies and private sector initiatives such as those operated by water utility companies.

Complementing an environment land management scheme delivery, industry-led activity can help address future environmental challenges and continued government support for these initiatives is critical. Farmers want to support the environment alongside their productive business. However, they do not always want to be part of or indeed are able to be part of a formal scheme, but they want to be acknowledged for their work supporting the wider environment and providing public goods. They need access to the best advice that suits their local conditions or farming systems. Industry-led initiatives such as the Championing the Farmed

Environment (CFE), the Greenhouse Gas Action Plan and Tried and Tested (T&T) encourage farmers to be more resource efficient, protect soil, water and improve biodiversity. These initiatives have brought together industry, environmental groups and the farm advisory community to develop agreed environmental messaging for farmers. Importantly, these initiatives also demonstrate the industry's commitment and part in improving the environment.

The delivery of net zero must be underpinned by a financing model which is consistent with these objectives. **The Government must look into the use of fiscal policy as explored in this response but also look to engage with the financial services sector to ensure green finance is best structured to serve the real green economy.** This means promoting innovation beyond green bonds to areas such as green loans and mortgages in order to de-risk some of the financial exposure associated with the green recovery. This can only be achieved through public-private solutions to finance whereby government, financial services and the private sector equitably share the risk of funding the transition to net zero. Whilst grant funding is a powerful tool to incentivise change and uptake of greener measures, farmers often have to match fund over half of the investment which is often a barrier to adoption. The roll out of green finance products such as targeted loans to support green infrastructure and technological investment would help overcome this barrier and catalyse the transition to net zero.

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### **What actions should we take to ensure local and regional economies can effectively contribute to the net zero target?**

Green recovery should be addressed through “place-based” actions, where particular consideration is given to the challenges and opportunities of different areas. The UK has high levels of inequality, particularly between rural and urban areas. Overall, deprivation is lower as a whole in rural areas, but in certain towns (particularly in the midlands or north) deprivation is higher and these areas are particularly vulnerable to the challenges and costs of the net-zero transition. Therefore, addressing concerns in rural communities will be particularly beneficial by addressing issues of climate change while simultaneously helping to level-up the inequalities across regions.

EU structural funds have played an important role in helping farmers develop enterprises which contribute to local value-added food production, tourism and rural infrastructure development such as broadband. The Growth programme, Leader programme and Countryside Productivity programme have been primary vehicles to support farm produce value add and diversification activities driving regional economic growth. Local Industrial Strategies (LIS) led by BEIS and the UK Shared Prosperity Fund (SPF) have a key role to play in ensuring this investment activity in green localised economies continues. **Where oversight of important structural funds and rural investment strategies is being moved from Defra to BEIS and MHCLG it is critical that the focus on food production and farming enterprises is not lost by government departments which may be less familiar with the role of agriculture in local economies.** It is therefore important that farming stakeholders are actively engaged in broader government dialogue on the green recovery and in designing the scope of future structural funds in mobilising investment.

**A key area of opportunity is a focus on greening supply chains and prioritising domestic sourcing to lower transportation footprints, promote high environmental standards and enhance supply chain resilience. The role of domestic food production and the development of local agri-food businesses should be a key component for any approach to a green recovery.**

On decreasing transportation footprints, with greater geographic distance between areas, carbon-neutral infrastructure requires greater planning and investment than in urban areas. **The rollout of broadband and**

**mobile** is imperative in order to help make the transition to more people working from home, allow **businesses to thrive in rural areas** (including tourism based businesses) and not have to expand to the nearest city, and allow for greater productivity. According to the NFU annual Digital Technology survey, farmers with superfast broadband are more likely to invest and expand their farm businesses, become more productive and be able to take advantage of wider business opportunities. There are significant productivity gains for farmers who are better connected, in addition to the wider benefits of connected rural communities. To best utilise new technologies, particularly those that are increasingly data driven, a high standard of rural connectivity is essential. Lack of digital connectivity acts as a constraint to capital investment on farm. If farming is to become more competitive in an increasingly uncertain and turbulent time, then access to this essential infrastructure is of paramount importance.

Beyond digital infrastructure, there needs to be sufficient understanding of the specific challenges' that rural communities face. Much of rural England is a [transport desert](#), where "**the choices and opportunities available to a community are limited by a lack of public transport**". This lack of public transportation increases reliance on cars as the sole mode of transport. As the phase out of petrol and diesel cars comes into effect, if there are not enough charging points in rural areas, rural communities are vulnerable to being isolated due to a lack of infrastructure to support the transition. Rural drivers typically drive over 50% further than urban drivers [on average](#). The lack of available transport options in rural areas needs to be addressed as rural communities continue to expand. Without infrastructure also being built alongside new houses, congestion to local towns will increase as will pollution from traffic.

Without sufficient planning and support, the phase out of petrol and diesel cars will be incredibly costly to those who are most reliant on them. **Government support for EV charging infrastructure should be specifically targeted at predominantly rural regional economies, to sustain businesses and support rural tourism. The Department**

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for Transport and the Office of Low Emission Vehicles does not currently provide 20% grant support for electric non-road vehicles like quadbikes, because they believe agriculture falls outside the General Block Exemption Regulation (GBER) for state aids. This is counterproductive for our net zero aspirations.

An example on the importance of investment in rural infrastructure is illustrated by the actual delivery of proposed new rural villages and green towns. Many proposed sites (e.g. Long Marston/Lower Quinton) are in reality poorly connected to areas with employment or schooling, depending on road links and private transport adding to local congestion and increasing the greenhouse gas footprint. Investing in better road and rail connections and sustainable urban drainage are vital if these proposed developments are to underpin a vibrant green rural economy.

The focus on local while addressing net zero will benefit wider than farms. Local tourism will hopefully increase as people take fewer international flights and focus on domestic holidays. In 2017, the UK received [31 million](#) visits from international visitors, while almost [47 million British](#) citizens went abroad for their holiday. If more people remain in the UK for holidays, the benefit to rural areas would be greatly felt through tourism and increased purchasing of local goods and foods, and reduction in greenhouse gas contributions from planes.

We are faced with an unprecedented chance to embrace a green recovery to ensure the best transition to a net zero economy. Within the transition, there is ample opportunity for rural communities and farmers. However, in order to best access these opportunities, there must be mechanisms in place to ensure equity for the vulnerable throughout the transition. This includes government support and funding for the place-based challenges of the infrastructure needed for the transition. It is important that rural economies be given the necessary tools including digital access, better and more energy efficient housing, water infrastructure, better transportation links, and other elements so that they are not simply trying to catch-up to urban areas, but instead are able to contribute significantly to green recovery through the localised opportunities found in rural areas.

## **Recommendations:**

- 1. Local Industrial Strategies led by BEIS and the UK Shared Prosperity Fund have a key role to play in driving investment activity in green localised economies.** EU structural funds have played an important role in helping farmers develop enterprises which contribute to local value-added food production, tourism and rural infrastructure development such as broadband. It is important that farming stakeholders are actively engaged in broader government dialogue beyond Defra on the green recovery and in designing the scope of future structural funds for mobilising investment to rural economies.
- 2. Focus on greening supply chains and prioritising domestic sourcing to lower transportation footprints, promote high environmental standards and enhance supply chain resilience.** The role of domestic food production and the development of local agri-food businesses should be a key component for any approach to a green recovery as it underpins one of the largest manufacturing sectors in the UK.
- 3. The rollout of broadband and mobile is imperative in order to help make the transition to more people working from home, allow businesses to thrive in rural areas (including tourism based businesses).** As demonstrated by the NFU's [Digital Technology Survey](#) there are significant productivity gains for farmers who are better connected, in addition to the wider benefits of connected rural communities.
- 4. Government support for EV charging infrastructure should be specifically targeted at predominantly rural regional economies, to sustain businesses and support rural tourism.** As the phase out of petrol and diesel cars comes into effect, if there are not enough charging points in rural areas, rural communities are vulnerable to being isolated due to a lack of infrastructure to support the transition.
- 5. Investment in better road and rail connections and sustainable urban drainage are vital if proposed village and green town developments are to underpin a vibrant green rural economy.**

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