

# Farming Profitability Review

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# Contents

Contents.....	1
1 Foreword .....	3
2 Executive Summary .....	7
2.1 Farming is different to any other part of our economy.....	7
2.2 Achieving certainty: profitable farming needs financial and policy certainty .	9
2.3 The ambition: to deliver a new deal for society, alongside more profitable farming.....	9
2.4 Implementation .....	10
2.5 Principles .....	13
2.6 The vision.....	14
2.7 Summary of Recommendations.....	15
3 State of the Nation .....	19
3.1 The Economic Value of Farming: Headline Figures and Sector Contributions .....	19
3.2 Profitability Gaps: Comparing High-, Mid-, and Low-Performing Farms.....	24
3.3 Impact of leaving the EU and political change .....	28
3.4 New approach to funding .....	29
3.5 Conclusion .....	32
4 Recommendations .....	34
4.1 Valuing Food and Farming .....	34
4.2 Volatility, resilience and viability – market monitoring.....	37
4.3 SOILSHOT: Food, Nature and Soils Transformation Fund.....	38
4.4 Need for Partnership and New Approach.....	41
4.5 Great British FARM Advisory Board .....	44
4.6 Valuing and Growing our British Brand .....	50
4.7 Supply Chain Fairness.....	55
4.8 Food and Drink England .....	60
4.9 Sustainable FARM Service .....	66
4.10 People and farming.....	74
4.11 People: health, skills, collaboration and education.....	75
4.12 People: access to skilled labour.....	80
4.13 Tenants .....	83
4.14 Tax Incentives, Grant Schemes and Investment.....	86
4.15 Food production in planning regulation .....	89

4.16	Regulation.....	95
5	Conclusion .....	98
5.1	Success in six months: .....	98
5.2	12 – 24 months: .....	98
6	Annexes .....	100
6.1	Table of Recommendations.....	100
6.2	Agricultural Employment .....	108
6.3	Terms of Reference, Scope and Approach .....	108
6.4	Methodology .....	110
6.5	Organisations met by Baroness Batters.....	112
6.6	Letter to Farmers and Growers .....	115
6.7	Letter to the Supply Chain.....	117
6.8	Collated Responses .....	119
6.9	Evidence Submitted to the Review .....	120
7	Case Studies.....	123
7.1	Agricultural Productivity Group: Soil Health .....	123
7.2	Case Study – Provision of School Food in Bath and NE Somerset .....	127
7.3	Case Study – Farm Environmental Delivery Groups offer to society .....	133
7.4	Nutrition and diet of the healthy farmer – risks and solutions.....	138
7.5	Independent review into labour shortages in the food supply chain: summary of recommendations .....	147
7.6	A new abstractor led approach for water resource planning in Norfolk ....	149

# 1 Foreword

One of my earliest childhood memories was wanting to run my own farming business. 25 years ago, that dream came true. I started farming on 300 acres, with a small herd of beef suckler cows, as a tenant on the Longford Estate in South Wiltshire with two derelict cottages, a few ramshackle buildings, and next-to-no fencing.

Today, and with my landlord's support, our small family run farming business has grown considerably. We have a Spring and Autumn calving beef suckler herd, grow spring barley and pick-your-own flowers, alongside a wedding venue and holiday cottages. My decision to accept the invitation to lead the Farm Profitability Review was not one I took lightly. Nearly everyone I spoke to thought it was a bad idea, citing there was little I could do, and my reputation would be damaged. Having applied and been accepted to be a Crossbench Peer, to influence our national life, it seemed totally wrong to walk away from farming at this time. In the end, I asked my neighbouring farmers Will Dickson and Edward Parsons what they thought I should do. Both were adamant that I should lead the review. When I asked them what they wanted, Edward said, "All I want is to feel valued for being a farmer" and "I want you to put the 'Great' back into British Food." That is what I have set out to do.

In my time at the NFU the one question, that often had a recurring negative answer from Whitehall, was asking if farming matters. The answer often was, "no, because it's only 0.6% of GDP" (Gross Domestic Product). Whether farming matters and how it's valued is fundamental to the future of farming in England and across the United Kingdom.

Having left the European Union (EU) without a plan for farming. There were three choices for the Department for Environment, Food and Rural Affairs (Defra) to choose from. Firstly, the farming budget could be used to regulate the environment; we could import more food, produced at lower standards, have less farmers, but resulting in more monoculture farming. Secondly, Government could allow farmers to become globally competitive; farm unsubsidised, but on a level playing field with the rest of the world. The third option is to find middle ground, by developing a strategy to start the 25-year Farming Roadmap to drive more profitable farming, in a way that also delivers Government priorities, benefits taxpayers and consumers. This has been the aim of the Farming Profitability Review (FPR).

I was appointed to lead the Farming Profitability Review in April 2025 by the previous Defra Secretary of State, the Rt Hon Steve Reed. My task was to provide expert opinion to Defra on matters relating to farm profitability, for the short, medium, and long-term. I was to provide input to the Food Strategy, Farming Roadmap and the Land Use Framework as well as wider Government missions and priorities, including economic growth. The recommendations were to be consistent with the UK Carbon Budget Framework, as set out in the Climate Change Act, the Environmental Improvement Plan 2023 and to consider alignment with net zero objectives.

I'm greatly indebted to the many farmers, growers, supply chain representatives and food and farming businesses across England and the UK who have engaged with this review and submitted their experience of blockages and solutions to profitability. They

have contributed recommendations on a sector basis, but also on cross-cutting issues. The FPR is for England only but, where appropriate, I have spoken to representatives who would inform the views of Devolved Administrations, to provide UK-wide recommendations.

I have been clear from the start; **there is no silver bullet to achieve farming profitability.**

Farming is as diverse as our landscape, and the problems submitted have varied enormously sector-by-sector. Added to which, much of the country has suffered from extreme drought this summer, building on a recurring pattern of ever-more-extreme weather.

One thing all sectors have in common is a sharp rise in fixed costs. Energy costs have risen significantly since the start of the Agricultural Transition. Wage costs are up, as are rises in National Insurance Contributions, and new farm machinery prices are up 31%. The uncertainty surrounding the closure of applications to Sustainable Farming Incentive Scheme (SFI) and the proposed changes to inheritance tax on family farming businesses have together created significant ongoing concern. Some farmers, particularly in the arable sector, are questioning viability, let alone profitability.

The Office for Budget Responsibility (OBR) forecast predicts input costs will be 30% higher in 2026 than they were in 2020. The Farming Budget was never increased for inflation when we were part of the EU. The £2.4 billion figure for farming in England has been almost the same since 2007.

Yet, against this backdrop of huge cost pressures farmers and growers in England are being asked to do more to be compliant with environmental legislation and regulation, with less funding and no certainty.

The Comprehensive Spending Review (CSR) will continue to set Defra's budget. Given the enormous strain public finances are under there is no guarantee that future funding will even remain at the existing level.

In my last year leading the National Farmers Union (NFU), independent economic analysis showed an estimated £4 billion would be needed in England to comply with new environmental legislation, regulation and policies, put in place by the previous Government.

On the evidence I have, it would in my opinion be irresponsible not to recommend change. The economic funding models of the past are not fit for the future. Since the last financial crash in 2009, the UK has taken a relatively relaxed approach to food security, often using the line that "the UK is a wealthy country and can afford to import its food." UK Governments have a long and regrettable history of embracing and abandoning whether our national food security is important.

This Government has made a commitment that food security is national security. This is an important first principle to establish but it needs to be implemented and embedded, with a long-term plan for farming and food production, that sits alongside restoring nature's recovery.

Previously, as a member of the EU, the UK worked within and abided by the Common Framework. Now, regardless of future alignment with the EU, the UK is an independent trading nation. We negotiate our own trade deals, take responsibility for our own workforce, and develop our own legislation, regulation and policies. The first step for achieving farming profitability is setting a policy and regulatory framework that achieves balance between food production and the environment, in a measurable way.

In a few years, the UK will have a fully liberalised trading relationship with Australia and New Zealand. We will also have potential to import more produce from other countries in the Transpacific Trading Bloc. More recent trade deals with the United States of America (USA) and India will also start to take effect.

While these trade deals have been negotiated abiding by Sanitary and Phytosanitary Measures (SPS) this only covers rules on food safety, plant and animal health and biosecurity. SPS rules do not cover ‘food values’ for animal welfare and environmental protection. In England there is new and existing, legally binding legislation that farmers and growers in the UK must abide by.

Given these changes, we need a **‘New Deal for Profitable Farming’** that recognises the true cost of producing food and delivering for the environment. It can best be achieved by developing a meaningful national plan and partnership with Government, in line with countries like New Zealand, Australia, the USA and Ireland. Farmers don’t want handouts from the state, they want nothing more than to run thriving, profitable farming businesses, by earning a fair return for what they produce.

Our network of agri-food and drink attachés are busy opening market access for UK produce, most recently apples to India. Yet despite British Apples and Pears plans for growth, we still don’t have a single apple out to India. In the meantime, our new trading partners bring their equivalent of Tom Bradshaw (NFU President) to our Parliament for meetings. This summer Zippy Duvall President of the American Farm Bureau was here. The New Zealand trade delegation bring their farmer representatives too, they arrive in smart Black fleeces, branded with the silver fern, opening every conversation with; “these are the three things we want to talk to you about”.

The UK should be doing the same. Every trade delegation like the recent one to India, led by the Prime Minister, should have a farmer representative from each of the Devolved Administrations, sitting alongside the best of British businesses. Selling more British and Welsh lamb, British and Scotch beef, Northern Ireland pork and English apples and cheese to international markets.

**The UK is widely regarded as one of the most prized food markets in the world.** The USA has previously said it is a market with “untapped potential”. This is why we need Government, Defra and the Department for Business and Trade (DBT) working together to be as ambitious as our new trading partners are for their farmers.

It’s worth remembering that the UK for many years, has had the third most affordable food, per income spend of any country in the world. What I’ve set out in this review is not just about growth and profitability, it’s about a fundamental reset of how we value food and farming. Our health is deteriorating, the National Health Service (NHS) is struggling to cope, a large part of this problem is the foods we are eating. We have an

opportunity, a duty, to enable a dietary step change, by restoring ‘whole foods’ as the foundation of our national diet.

The intrinsic metric for the 10 Year Health Plan for England should be increasing sales of fresh whole food, grown here, including the production and consumption of more fruit and vegetables.

Farming is our only remaining primary manufacturing sector that still exists in every county across the country. Farmers by their very nature are entrepreneurs and together we will all benefit from growing, creating and selling more of what we’re good at. British-grown wood for house builders, sustainable fuel, wool for insulation and sustainable rope to remove plastic from our rivers and oceans. Bio-refineries, to make biodegradable packaging out of plant waste. British environmental horticulture, growing more hedging plants, bulbs and flowers. Planting more orchards, together, creating beautiful green spaces for everyone, everywhere.

We need a **‘National Plan for Farming,’** one that stretches across Government departments, recognising the importance of teaching our children about food and cooking in school. We need a curriculum that embraces agriculture as part of Science, Technology, Engineering, and Mathematics (STEM) learning, inspiring the next generation to be the farmers, food technologists, nutritionists, and agronomists of the future.

In an age of global insecurity and cyber-attacks, building local food resilience is equally essential to support our national, just-in-time food distribution network.

Responses to the review show that farmers and growers, supply chain representatives, and food and farming businesses want certainty and hope for the future. For many years, farmers have felt Government, and the machinery of different Governments, has not been on their side. We can change this, but it needs both farmers and Government to unite on the common cause they both share. That isn’t about always agreeing, it’s about establishing a new way-of-working and that will mean change for all involved.

Finally, my thanks to the small team in Defra who have worked tirelessly with me to bring this review together. Thanks to those that have drafted comprehensive input sector-by-sector. To the many that have sat through lengthy meetings, advancing solutions. This review is your work. I have been fortunate to have convened the discussion, and for that I can only convey my thanks to the Defra Secretary of State (SoS), Rt Hon Emma Reynolds MP for her continuing support.

## 2 Executive Summary

Farming is the backbone of our rural communities and is fundamental to keeping the UK fed and healthy. Farmers are the custodians of over 70% of the UK's total land area. The farming sector is also a bedrock contributor to the UK's economy, directly providing over 400,000 jobs in 2024 (see [Annex 6.2](#)), frequently in areas where other employment opportunities are limited. It directly contributes £10.5 billion to the UK's economy (Gross Value Added (GVA), 2024). No other sector's impact is felt so broadly and by so many. It touches every one of us, every day.

But its direct impact is only part of the story. It underpins and enables a far larger UK agri-food supply chain worth £150 billion (GVA, 2024) or 6% of the total UK economy while generating 4.2 million jobs, from manufacturing to retail and catering, which is 13% of all employment in Great Britain (GB). UK farming also helps generate £25 billion (2024) in food, drink and feed exports with the rest of the world. **Without a strong, profitable domestic farming sector, we are not food secure**, having to rely on frequently volatile international markets for the food we eat. Currently we produce only 65% (2024) of all food purchased domestically and in recent decades UK farming has supplied a decreasing proportion of the UK's food, falling from 78% in 1984.

Responses to the Farm Profitability Review, show that farmers and growers are feeling firsthand the impacts of volatility, extreme weather and rising input costs. Many are currently facing huge economic challenges to produce high quality, affordable food and meet environmental demands. Lack of clarity on finances and policy is leaving many farmers I've spoken to questioning the viability of their farming business. But the overriding message I've received from farmers, is that they are deeply committed to their farms, they want farming to be a success and to leave their farm in a better place for the next generation.

**The core focus of my recommendations is to restore balance between food production and the environment. They should be treated as two sides of the same coin.**

### 2.1 Farming is different to any other part of our economy.

Unlike other sectors, farming and growing food within our natural environment, has different associated costs and challenges, some of which can be controlled, but not all of them can be. Whether it's purchases of inputs, decisions on breeding for livestock and dairy, planting an orchard, or growing a crop. Many of these decisions are often made two or more years in advance of selling anything. A lot can happen in a year, as the last few years have proved.



**Food is something none of us can do without**, and it's for this reason agriculture is often subsidised in one way or another; avoiding food inflation for consumers, by managing risk and volatility for farmers.

Subsidy across the world comes in different forms; USA farm policy is underpinned by the multi-billion-dollar Farm Bill. If needed, it provides substantial crop insurance to farmers. Competition Law in the USA also allows Government intervention in the market to iron out volatility. This is unlike UK Competition Law which prohibits Government intervention, and discussions on price. For example, in 2007 there were near-record fines of more than £116 million for supermarkets and processors when their actions, designed to get a few pence extra to dairy farmers, were deemed to be collusion and price fixing.

In the EU the Common Agriculture Policy (CAP) managed some elements of risk and volatility via the Basic Payment Scheme (BPS). Historically, and evidence in the State of the Nation ([Section 3](#)), shows it has formed a significant part of on-farm profitability in England. Unlike Scotland, Wales and Northern Ireland, England has passed legislation to de-link the Defra budget from farming and is now nearing the end of the transition period. The EU legacy Fruit and Veg Aid Scheme (FVAS) is also closing in December 2025.

The criticism of BPS funding was that it benefited large landowners with more land farmed equating to more money received. However, to date, Environmental Land Management (ELM) schemes have not proved to be any different in outcome. In the last Parliament, ELMs actively encouraged landowners not to farm, but instead to be funded by the taxpayer to deliver public goods. The more land in a scheme, the more money received.

It's worth remembering the **foundational values of the CAP**; to support farmers and improve agricultural productivity, ensuring a stable supply of affordable food.

- Safeguard EU farmers to make a reasonable living.
- Help tackle climate change and the sustainable management of natural resources.
- Maintain rural areas and landscapes across the EU.
- Keep the rural economy alive by promoting jobs in farming, agri-food industries and associated sectors.

We've left the EU, but **the UK must establish and embed its own principles and values, to achieve a thriving farming sector and rural economy in England**. Alongside a meaningful framework for the UK internal market to operate in a fair and equitable way. Not slogans on a press release, but by working together to establish a co-ordinated food and farming strategy that delivers for farmers and society across the country.

From when ELMs were first developed, our world has changed inconceivably, with taxpayer investment now prioritised for defence and the NHS. Since leaving the EU, The Environment Act for England has raised the level of environmental and animal

welfare legislation and regulation above that of the EU. This has come at considerable cost to some sectors and created great concern over the lack of a level playing field with the standards of imports.

## 2.2 Achieving certainty: profitable farming needs financial and policy certainty

In my recommendations, you will see there are some **quick wins**, including addressing the problems in the planning system, permitted development for on-farm reservoirs and stimulating farmer and growers' confidence by improving access to finance and effective use of tax reliefs. However, short-term fixes, don't deal with the long-term challenges. Access to a reliable workforce being the single biggest blockage to profitability in the horticulture sector.

The sheer number of 'asks' (over 400) I've received is symbolic of the problem and it is why my recommendations are based on setting out a new way-of-working. Following the example set by New Zealand and Ireland who both say, **working in partnership is not important, it's essential**.

Ever since we merged the Ministry of Agriculture, Fisheries and Food (MAFF), into Defra farmers have been trying to get farming back into the heart of the department. In conversation with Matt Naylor at Groundswell, we alighted on '**FARM: Food Agriculture Rural Matters**'. It isn't MAFF, but as you'll see below it covers the different dynamics of what a farm produces and puts farming at the heart of Defra.

## 2.3 The ambition: to deliver a new deal for society, alongside more profitable farming

By:

1. **Growing the Unique Selling Point of 'Brand Britain' and increasing demand** for British produce and raw ingredients through exports, supermarket sales, public procurement sourcing, manufacturing of raw ingredients and out-of-home sales (pubs, restaurants and food to go sector) – so farmers and growers sell more and remain the number one supplier of choice to the UK market.
2. **Growing income from farming and growing** is essential for all sectors, particularly if we are going to fulfil demand and drive a much needed horticulture revolution. UK grown edible horticulture produce was worth £3.1 billion in 2024, and the sector is ambitious to drive domestic consumption and exports by 40%-120%. Market monitoring is crucial to managing supply and demand to achieve profitability.
3. **Value nature, biodiversity and water quality.** Farmers want a thriving ecosystem, with clean water, nature and biodiversity benefits for all, across the entire supply chain. Existing farmer-led cluster groups have proven landscape recovery can be scaled across England and become an important part of on-farm income.

4. **Growing the demand** for wood, fuel, fibre, flowers, and environmental horticulture. In 2023 the environmental horticulture sector (trees, shrubs, bulbs, gardening) contributed over £38 billion to UK Gross Domestic Product (GDP). This is equivalent to £1 in every £71 of GDP, £8.4 billion in tax revenues, and supporting more than 722,000 jobs. With the right support, the sector predicts growth of 45% reaching £51 billion in value.
5. **Raising levels of productivity and incentivising resilience** by optimising food production, delivering goal-orientated research and innovation to every farm business. To achieve this, we need effective knowledge exchange, giving farmers and growers access to the latest tech, so they know, at farm-level, how they benchmark against others for profit margin, yield, soil health, water and carbon.
6. **Enshrining fair dealings and transparency in law** achieving supply chain fairness across all sectors. Extending Retail Voluntary Principles on origin labelling to out-of-home and linked to schemes like Red Tractor or Lion Mark as proof of British integrity (Red Tractor) is currently on £18 billion of British Food). Extend the Groceries Supply Code of Practice (GSCOP), to out-of-home (currently 50% of the value of food sales in UK).

## 2.4 Implementation

**Establishing a Government, industry and farmer partnership.** To set and deliver ambition for more British food at home and abroad called '**FARM**'. Mirrored and strengthened by National-level partnerships with Scotland, Wales and Northern Ireland and creating '**Food and Drink England**'. Either chaired independently or by the Environment Secretary, the FARM advisory board should be focused on removing blockers so that farms can thrive. Whether through stimulating demand, promoting exports, or recommending changes to planning rules, driving investment and enabling growth.

**Supported by sector missions.** Like any other business, farmers and growers need a plan for what they're producing, which markets they're aiming at, what volume is needed. Ambitions set out by the farmer or grower for each sub-sector (e.g. poultry, beef, dairy, horticulture, cereals, fibre, fuel) leaving behind, what can often feel like, farmers and growers making decisions that are taken in isolation, without an apparent co-ordinated national plan.

**Data, measurement and market monitoring is needed** to forecast demand and track progress. Farming produces much more than just food, there is a need to develop a '**National Resources, Circular Economy and Environmental Balanced Scorecard**', to predict and plan demand for wood, fuel, environmental horticulture and fibre. This is alongside a '**National British Food Balanced Scorecard**' for food retail and out-of-home sectors to track British sourcing commitments against sector-missions. This will then inform our export strategy and British sourcing for public procurement. **Market monitoring** is also needed to provide transparency for farmers

and growers on fertiliser and input prices, alongside measuring imports and exports, and monthly reporting on volumes of production for sectors like horticulture. At present there is insufficient evidence to track progress.

**Landscape and nature recovery across England** is being implemented under Landscape Recovery projects funded by the taxpayer. They have been talked of as “diamonds in a paper crown” because they are beautiful, but small scale and those surrounding them are in what is also referred to as “white space”. The principles behind Landscape Recovery and Countryside Stewardship are sound, but there is a need to scale the concept, allowing all farmers and land areas to benefit. I held a roundtable with representatives from our existing ‘**Farm Environmental Delivery Groups**’ (**FED Groups**) delivering landscape recovery. We have produced a blueprint for how that could be expanded to all 93 river catchments in England. These are voluntary, farmer-led, and farmer-owned groups. They may only need the initial start-up and facilitation to be taxpayer funded, providing there is a functioning, accessible natural capital market fuelled by sufficient, mandated application of the **Taskforce on Nature-related Financial Disclosures (TNFD)** to drive demand from the corporate and business sector to offset environmental impacts and dependencies. **Private sector green financing will not work unless this happens.**

**Embedding National Food Security and Nature Recovery in ‘Active Farmer options’** to achieve long-term commitment and investment to sustainable farming. There needs to be an SFI scheme available for next year for those not already in a scheme. However, it’s evident that there must be a new approach to funding farming schemes. I have set out how this can be achieved in the risk and volatility recommendations ([Section 4.2](#)).

- Link **Sustainable Farming Incentive** to food production, building resilience by incentivising farming optimisation through SFI options, including oilseeds, pulses and circular protein crops like peas and beans.
- Supported by baseline farm-level evidence to prove value.
- Establish: ‘**SOILSHOT + NATURE**’ a whole farm approach, to building soil health and increasing resilience. Creating a high integrity scheme for private finance and Scope 3 inseting and offsetting investment.

**‘Sustainable FARM Service’.** My proposal here is to achieve better coordination of what farmers and growers need to enable them to become more profitable. The current arrangements are fragmented, difficult to access, often complicated and expensive. Farmers and growers need access to better business relevant advice, goal orientated science for on-farm use, informed by **targeted commercial research initiatives** so that innovation and best practice can be taken up by individual farmers. Rather than the current approach with no overarching ambition.

- Agriculture and Horticulture Development Board (AHDB), The Institute of Agriculture and Horticulture (TIAH), The UK Agri-Tech Centre (ATC), tasked to bring advice, skills and farming’s engagement with research and innovation into one place.



- Working with sector groups, Defra Chief Scientific Adviser and Defra Farming Countryside Programme to co-ordinate, Biotechnology and Biological Sciences Research Council (BBSRC), and Innovate UK with sector missions, as well as National Parks, Areas of Outstanding Natural Beauty (AONB), Natural England and Catchment Sensitive Farming. Together to engage, consult, prepare strategic plan for the farming roadmap.

I'm convinced Defra needs more farmers involved in co-creating policy, by establishing '**Agri-Growth Hubs**' in the river basins or regions in England. Connecting local farmers and businesses to '**Food and Drink England**', restoring whole foods as the foundation of our national diet, increasing production and consumption of fruit and vegetables and nutrient dense foods. Local food requires local processing, providing jobs, boosting local economic growth and tourism.

Growing the British food brand to Local, Regional, National and International Markets: Rodda's clotted cream from Cornwall, Netherend Farm butter portions from Gloucestershire, and Tiptree jam from Essex are now part of British Airways local sourcing, there's enormous opportunity to develop many more, local, sustainable brands whilst also reconnecting society with the food, land and nature on our farms – closing the gap between rural and urban communities.

#### **The result:**

Driving rural, food, farming, environmental and health benefits value to UK GDP from 0.6%. Growing demand, increasing financial reward to farmers and growers, building investment in the UK economy.

- By measuring Agricultural and Horticultural production alongside primary and secondary processing, in line with other countries. Growing exports 30% by 2030.
- By mandating and measuring the value of natural capital. Delivering nature recovery and reversing biodiversity decline.
- By capturing value of on-farm clean energy, wood, fibre, fuel, flowers and environmental horticulture.
- By recognising the economic value of allied businesses, and people working within the rural economy and enabling on-farm tourism, health and wellbeing Restoring whole foods as the foundation of our national diet as an intrinsic metric of the Ten-Year Health Plan for England.

My recommendations are based on setting out a strategy and process to start the 25-year Farming Roadmap. I recommend that I re-review progress in 18-months. Government and industry should review progress every six-months.

Finally, my thanks to the Rt Hon Steve Reed MP for asking me to lead the Farm Profitability Review, he deserves great credit for endeavouring to resolve an extremely complex challenge, but one on which our global food system depends – profitable farming.

## 2.5 Principles

- **Grow the British brand at home and abroad:** by growing, making, producing, creating and selling more from our farms in a measurable way. By developing: FARM as a national plan for how to deliver. Establishing a meaningful partnership between farmers, industry and government
- **Growing income to farmers from private sector environmental and nature markets,** for inseting and offsetting by valuing and measuring nature and natural capital. Government mandating Taskforce for Nature-related Financial Disclosures (TNFD) to ensure a level playing field for all.
- **Raising the productivity bar** through upscaled and simplified, business relevant advice services, Continuing Professional Development (CPD) and STEM learning, skills, commercial research projects and innovation. Establishing standardised metrics for measuring soil health and carbon.
- **Recognise ‘Active Farmer’ principle,** embedding food security by linking some elements of the Sustainable Farming Scheme and Agri-environment schemes to food production, building resilience by managing volatility and introducing SOILSHOT + NATURE
- **Enshrine fair dealings and transparency in law.** Strengthen the role of the Grocery Code Adjudicator (GCA). Pioneer farm data integrity and deliver market monitoring to provide sector by sector transparency on imports and input costs. Roll out the voluntary code on country-of-origin principles to the out of home sector, with a view to it becoming a statutory requirement.
- **Provide financial certainty** by establishing a Whitehall blueprint for on-farm infrastructure: ‘Planning for Farming’s Future’, delivering better environmental and animal welfare outcomes. Rooftop clean energy, turbines and on-farm reservoirs. Stimulating investor confidence by improving access to finance and effective use of tax reliefs.

## 2.6 The vision

To make, create, grow, produce and sell more from our farms in a measurable way to achieve financial certainty. Food and farming measured in terms of 'true value' as part of UK GDP. A strong focus on growing the margin received by individual farms. By building resilience, optimising food production, with less impact, at lower cost. Achieve goal-orientated commercial research on soils and nutrients. Scale circular economy proteins: peas and beans for human and livestock consumption, replacing our reliance on imported soya. Focus and value nature and biodiversity recovery by mandating TNFD. From International to national, regional and local, recognising that food is part of our critical national infrastructure and therefore must be embedded in our national planning framework, building resilience in people and businesses and all that we produce on our farms, culminating in actionable measures to relieve the burdens facing farmers.

**Figure 1. How delivering FPR would improve farming profitability**



## 2.7 Summary of Recommendations

### VALUING FOOD AND FARMING

1 & 2 Measure the value of primary & secondary processing in GDP and reassess the full value of farming.

3 Include natural capital in national accounting framework and in the assessment of the UK economy.

### RESILIENCE AND VIABILITY

4 Provide a scheme for those that have not accessed SFI previously, focussed on resilience options.

5 Assess the most cost-effective way to deliver the SFI.

6 Apply the 'Active Farmer Principle' to schemes to ensure the Farming Budget only goes to farmers.

### SOILSHOT+NATURE

7 & 12 Establish 'SOILSHOT+NATURE taskforce' for: a new green financing funding stream; metrics for inseting and offsetting; and a high integrity option in BSI standards.

8 & 9 Develop consistent metrics for: inseting to ensure Scope 3 agreements can be equitable and high integrity; and inseting and offsetting for nature outcomes.

10 (& 32) Mandate nature reporting for corporate businesses in the UK via TNFD.

11 Establish a 'Whole Farm Approach' to building soil health, restoring fertility, cutting emissions and increasing resilience.

### PARTNERSHIP APPROACH

13 - 15 Establish the 'Great British FARM Advisory Board' (GBFAB) to increase and track progress of sales of British raw ingredients across the 4 markets, including growing exports by 30% by 2030.

16 Ensure the 'Circular Economy' is considered at all levels of farming policy, to cut costs and increase revenue for farmers.



## BRITISH BRAND

17 & 19 Support Trade & Agriculture Commission's (TAC) recommendations on global standards and ensure GBFAB engages with TAC to understand implications of trade deals on market share of British raw ingredients.

20 Ensure British branding is underpinned by assurance by updating the retailers' voluntary principles and extending to out-of-home.

18 Protect Agriculture and Food as 'sensitive sectors', as set out in the UK Trade Strategy.

## SUPPLY CHAIN FAIRNESS

21 Reduce unfair supply chain practices by extending the remit of GSCOP & GCA, bringing both within Defra, and enshrining the 'Golden Rules' in law.

22 Establish an enhanced market monitoring function to bring together data on prices across the supply chain.

## ENGLISH FOOD CULTURE

23 Update 'Buying Standards for Food and Catering Services' to cover all sectors to set consistent standards on provenance and embedding dynamic procurement.

24 Establish 'Food and Drink England' for closer relations with farmers and local government and to champion English food producers and our national food culture.

## SUSTAINABLE FARM SERVICE

25 Develop the Sustainable FARM Service, for a more simple and consolidated system for technical advice, like Teagasc in Ireland.

26 & 27 Develop a coordinated approach, involving BBSRC, Innovate UK and industry, for goal-oriented, scaled and sectoral priorities for commercial research bids.

## PEOPLE, LABOUR & SKILLS

28 Include agriculture in STEM education and encourage careers in food and farming, through the Food Strategy.

29 Establish 'Agri-Growth Hubs' as collaborative farmer networks in regions or river basins.

30 Unlock growth by Government working with Agri-Growth Hubs and FED Groups to build relationships between farmers and local authorities.

31 Establish further voluntary groups across 93 catchments in England working with farmer led voluntary Farm Environmental Delivery Groups (FED Groups).

33 Implement the recommendations from John Shropshire's review into labour shortages in the food supply chain.

34 Extend the Seasonal Worker Visa Scheme to nine months to cover the whole season.

## TENANCY

35 Consider giving the Commissioner for the Tenant Farming Sector statutory powers (like the GCA and GSCOP) and encourage long term tenancies through review of key tax reliefs.

## TAX INCENTIVES, GRANTS & INVESTMENT

36 Consider if farm businesses operating as sole traders or partnerships should be eligible to claim full expensing allowances on plant and machinery.

37 Assess whether farm businesses are able to benefit from capital allowances as intended and if tax relief meets the specific circumstances of farmers.

38 Develop a soft loans offer at 0% interest through the British Business Bank for new entrants, young farmers and business expansion to scale farm businesses.

39 Target and extend Farming in Protected Landscapes (FiPL) funding to Agri-Growth Hubs.

40 Review the current model for grant delivery to reduce the cost burden on farmers and streamline approval.

41 Make productivity funding open to more farmers and growers with the level of funding proportionate to the size of business.

## PLANNING

42 &  
44 - 46

Develop a 'National Planning for Food Infrastructure Blueprint' that is implemented through the National Planning Policy Framework (NPPF), with enough resource in the Planning Inspectorate, to ensure food production is prioritised in the planning system and removes duplication in implementing regulation by Defra Arm's Length Bodies (ALBs).

43

Remove muck/slurry spreading requirements from planning process where it's duplicative to pre-existing permitting.

47

Extend the Permitted Development Rights (PDR) allowance beyond 1000m<sup>2</sup> for livestock buildings to achieve better animal welfare and environment outcomes.

## ENERGY & CONNECTIVITY

48

Ensure extended PDRs for on-farm wind turbines and reservoirs are made available for farm businesses.

49

Ensure District Network Operators are driving uptake of existing technology in rural areas to improve connectivity and infrastructure.

## WATER

50 &  
52

Consider farm businesses and embedding the Agri-Growth hubs and the FED Groups when implementing the Cunliffe review recommendations.

51

Embed an evidence led partnership approach with the farming industry where water abstraction for food production is needed.

53

Ensure that extended PDRs for on farm reservoirs are made available.

## REGULATION

54

Undertake a review of regulation to assess its effectiveness and cost on agriculture.

55 &  
56

In line with Corry: consider reforming regulation to make it outcomes focussed, risk (rather than hazards) based, with fit for purpose approvals for biological crop protection; and ensure regulators are considering cost of compliance on farms.

57

Minimise the bureaucracy and resulting cost of FSA official controls for small abattoirs

## 3 State of the Nation

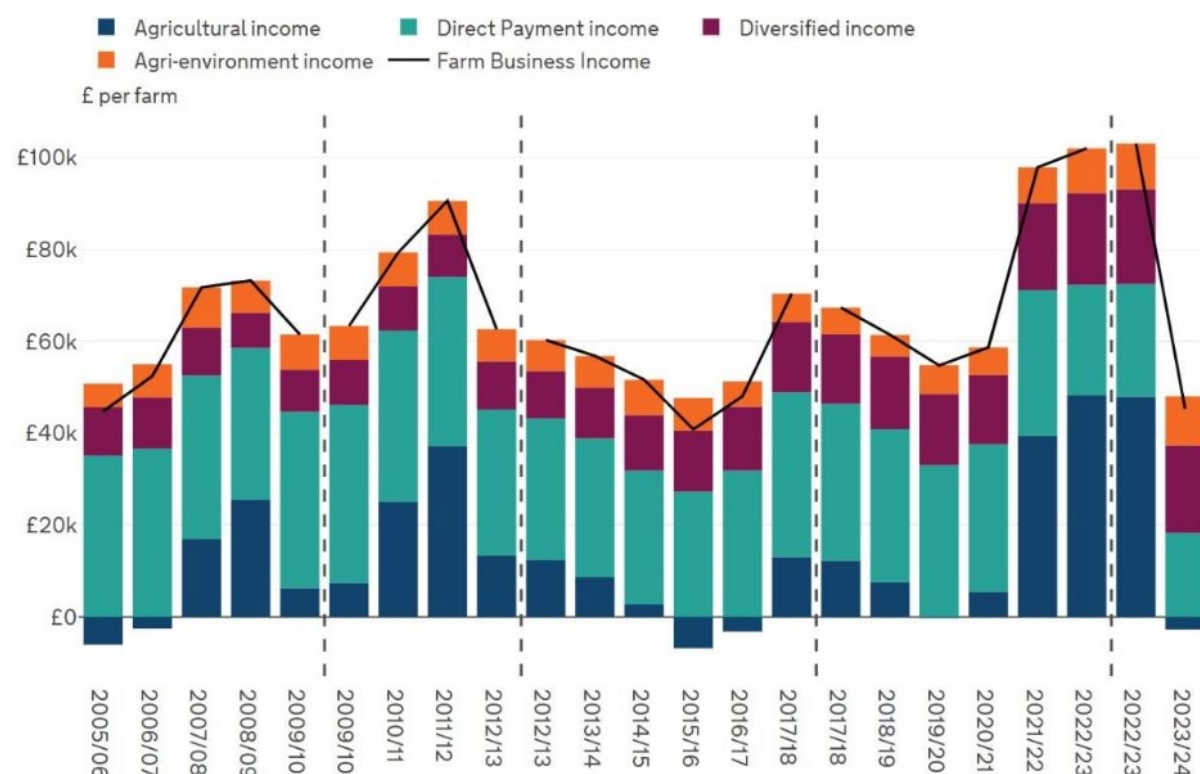
### 3.1 The Economic Value of Farming: Headline Figures and Sector Contributions

Our farmers take pride in producing high quality food to some of the highest environmental and welfare standards in the world. But they are having to compete on an unlevel playing field with international producers whose standards are often lower and whose access to our markets is increasing.

Total farm income, which includes all income not just that of agriculture, has tripled in real terms in the UK since 2000, and this is to be celebrated. However, it's a very different picture if we just focus on farming income. Total farm income top-level growth has been inconsistent and unpredictable, even for those farms that performed well, and masks considerable variation between individual farms and between individual years (see figure 2 for the experience of English farms). In 2023/24, the average income from farming was £41,500 per farm but almost 30% of farms in Great Britain (GB) (2023/24) made an overall financial loss. However, recent very high levels of farm income (between 2021/22 - 2022/23) reflect the peculiar situation created by post-COVID-19 supply chain shortages and resurgent consumer demand alongside the conflict in Ukraine and its disruption of key agricultural markets which boosted farmgate prices by more than input prices and benefited some farm types (notably cereals and dairy) more than others. The much less positive performance of farms in 2023/24 very likely represents a return to normality, not a one-off decline in profitability. Taking a longer view of farm income in England (figure 2, 2005/06 - 2023/24) shows that agricultural income, as a share of total farm business income, is highly variable and often a relatively small fraction of the total, with the average farm all too frequently losing money on its agricultural activities. Analysis undertaken by Strutt and Parker estimates that for profits to be economically sustainable, they should be able to support a family and allow reinvestment into a business and would need to be more than £250 per hectare. For a typical farm size of 140ha, their analysis suggests that profits would need to be ~£34,500 per year, which is similar to the median household income for the UK. Strutt and Parker estimate that around 50% of all farms fall below this level.

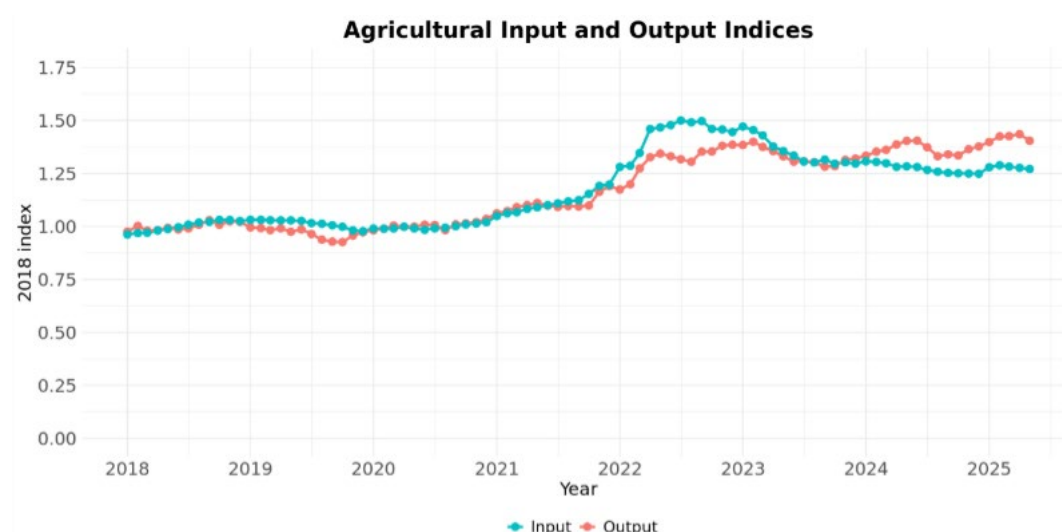


**Figure 2. Average farm business income (£ per farm) in England, by income source (2005/06 - 2023/24) (Source: Farm Business Survey, excludes very small farms <£21k of output)**



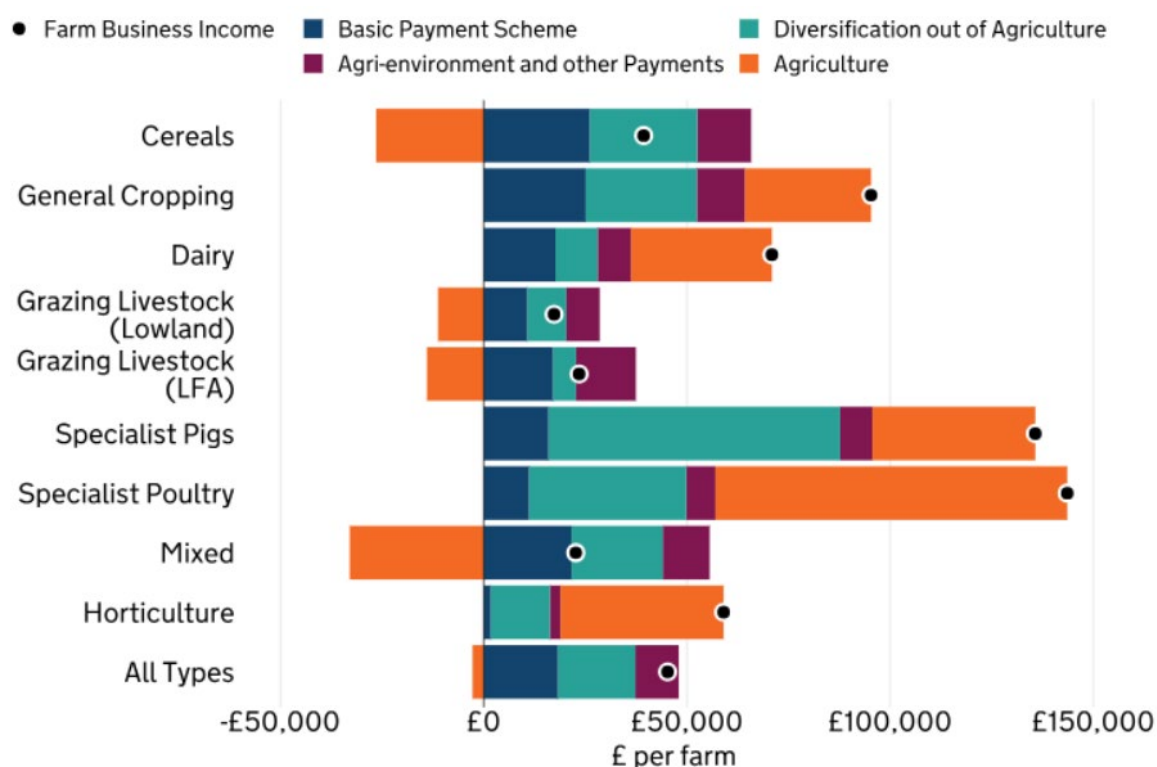
Whether a farm makes a profit on its agricultural activities depends on the often very small difference between the input prices farmers must pay (e.g. energy, seeds, feed, fertiliser), their other business costs (labour, debt interest, depreciation, maintenance) and the farmgate output prices received for their products. Both input and output prices have risen considerably since autumn 2021 (figure 3), reflecting the combined impact of post-COVID19 supply shortages and the impact of conflict in Ukraine on global markets. Since December 2023 output price increases have exceeded input price increases. In more normal times, both indices have been more tightly coupled, leaving little margin for farmers to profit directly from their agricultural activities and making them reliant on other sources of income to bolster their profits.

**Figure 3. UK Agricultural Input and Output Price Indices 2018 - 2025 (baseline year = 2018) (Source: Defra UK Agricultural Price Indices)**



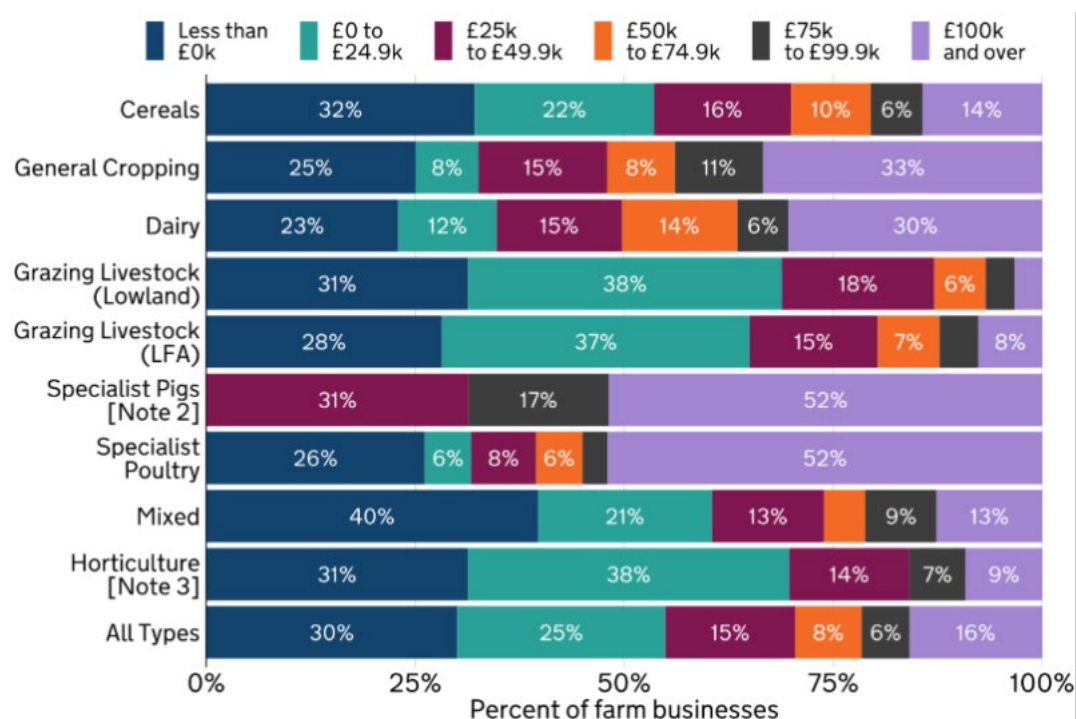
Taking the most recent year for which we have data 2023/24 (figure 4) the average English farm made a small net loss on its agricultural activities, with Government funding (Basic Payments and Agri-Environment) and diversification out of agriculture providing the bulk of an average farm's income. However, there is considerable variation in profitability between farm types, with some achieving relatively large agricultural incomes (e.g. specialist poultry, horticulture and dairy) and others (e.g. cereals, lowland grazing livestock and mixed) making a loss on their agricultural activities.

**Figure 4. Average Farm Business Income (profit) by Cost Centre and Farm Type, England 2023/24 (Source: Farm Business Survey, Defra)**



But even this isn't the whole picture, within farm types there is also considerable variation in business performance. Figure 5 shows that in almost every farming sector there is a large cohort of loss-making farms. The proportion of loss-making farms varies by sector but in England in 2023/24 it wasn't less than 23% (dairy farms) and was as much as 40% (mixed farms), with 30% of English farms being loss making overall in that year (29% loss-making for GB farms in 2023/24).

**Figure 5. Distribution of Farm Business Income (i.e. profitability) by farm type in England, 2023/24 (Source: Farm Business Survey, Defra)**



The structure of the agri-food supply chain places farmers at a considerable disadvantage when marketing their products, relative to other sectors. They are often small-scale businesses (48% of UK farms <20 ha in 2024), selling mainly perishable products into markets where buyers (e.g. processors, retailers, distributors) are often highly consolidated businesses who can exercise monopsonistic power in the market. This makes farmers highly vulnerable to unfair trading practices (e.g. unwritten contracts, unclear pricing mechanisms, delayed payments, unfair sharing of risk between buyer and seller) and even where markets are fair many farmers have limited ability to leverage the advantages of economies of scale owing to their small size. These market headwinds are particularly problematic in the farming sector as farmers are already exposed to risks completely outside of their direct control (e.g. weather, disease, market instability, shifting regulatory burdens, diminishing availability of public funds) and have to make critical decisions with incomplete information (e.g. when you plant a crop you do not know what the growing season will be like and what prices the market will be offering for your production output ). So, **farmers are expected to take risks, absorb shocks and adapt quickly, but their limited bargaining power means they often face squeezed margins and or lost returns.**

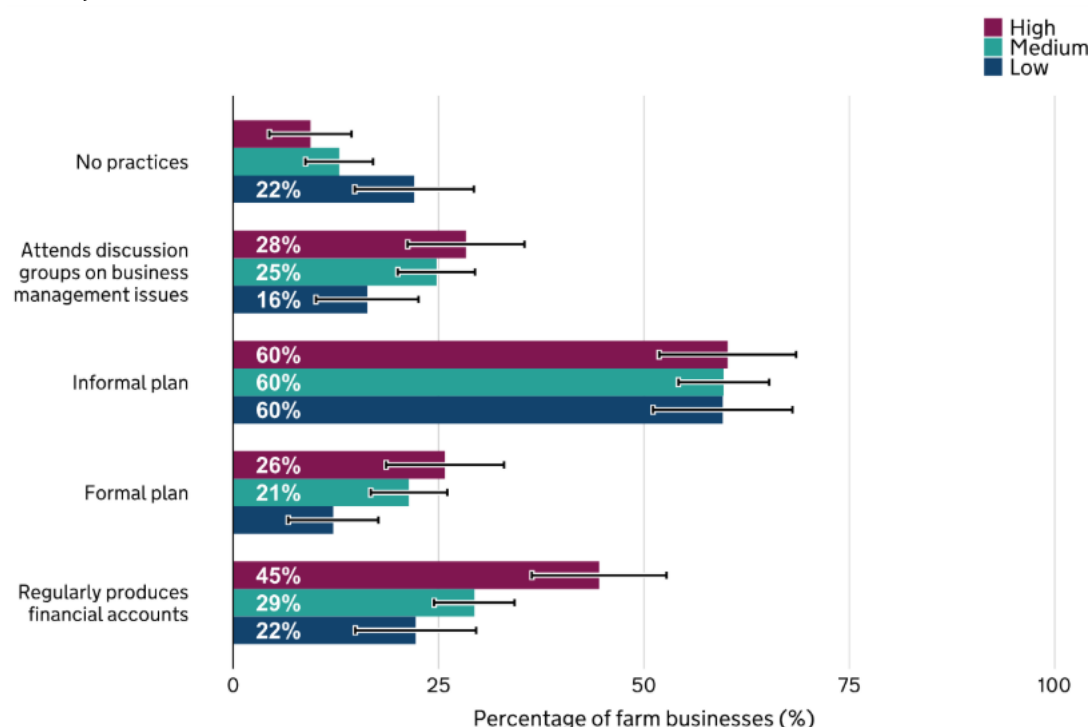


## 3.2 Profitability Gaps: Comparing High-, Mid-, and Low-Performing Farms

It bears repeating that **farming profitability is highly sensitive to the narrow margin between input costs and farmgate output prices**. Efficiency in use of inputs use is a key factor separating higher-performing farms from those with middle (and low) levels of performance. It is not necessarily about producing more output per hectare, but about being more economical with inputs (e.g. minimising energy, fertiliser and other input costs). Defra commissioned research covering the period 2010/11 to 2016/17 found that business decisions, such as how inputs are managed and where costs are allocated, explained most of the variation in farm performance. Specifically, business choices accounted for 56% of the variation in cereal farms, 69% in dairy, and 75% in grazing livestock. **So, while all farms face external pressures, those that consistently perform well tend to do so because they manage input costs strategically.** The remaining variation can be explained by external factors such as weather and market conditions, which accounted for 44% of variation in cereals, 31% in dairy, and 25% in grazing livestock, emphasising the inherently volatile nature of farming and the significant impact that uncontrollable external forces can have on performance, even when sound business decisions are made.

Further research commissioned by AHDB (2018) identified key factors differentiating top-performing farms. These include, minimising overheads, setting goals and budgets, benchmarking and understanding the market. Defra Farm Business Survey data from 2022/23 shows that 22% of low performing farms in England had no business management practices, compared to 9% of high-performing farms, suggesting a strong link between utilisation of key business skills (e.g. financial planning, strategic decision making) and overall business performance (Figure 6). **The lower uptake of these practices among lower performing farms points to a skills gap in core business skills and knowledge.**

**Figure 6. Percentage of farm businesses undertaking business planning or management accounting practices in England by farm economic performance band, 2022/23**



The impact of external volatility is also evident when looking at farm business performance. Farms can be grouped into performance bands (high, middle and low) based on a performance ratio (the ratio of farm income over farm input costs). Only 8% of all farms (table 1) stayed in the high-performance band over a five-year period (2019/20 - 2023/24). Less than half of top performing farms were consistently top performers for three consecutive years (based on Defra analysis done for 2021/22-2023/24). The low numbers of farms able to stay consistently in the high-performance band highlights how external pressures, such as market shifts or weather events, can significantly affect performance, even when core business practices are highly competent and remain consistent. ***The point being, even farmers with good business management practices, cannot escape from the realities of farming in the UK and the impact of external events on their businesses.***

**Table 1. % All farms remaining in performance bands for three and five years – source: Farm Business Survey, Defra**

Performance ratio group	Three years (2021/22 to 2023/24)	Five years (2019/20 to 2023/24)
Always in top 25%	11%	8%
Always in middle 50%	24%	14%
Always in bottom 25%	14%	11%

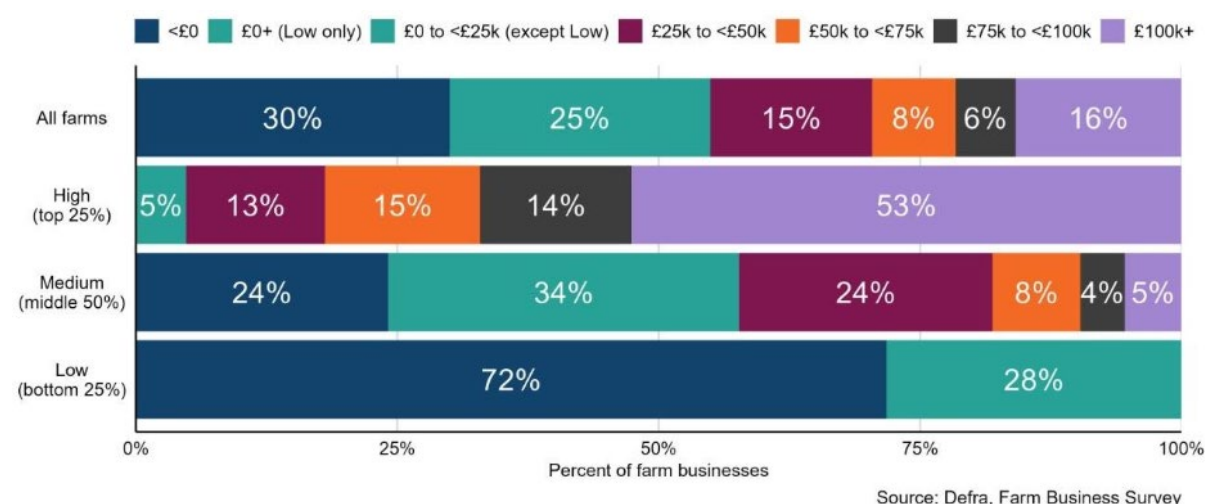
**Most agricultural output (65%, table 2) comes from middle-performing farms, which make up 57% of all farms.** These farms play a central role in maintaining our national food production. Farms in the lowest performance band tend to be smaller, on average, around half the size of middle-performing farms, and therefore account for a smaller share (11%) of the farmed area and an even smaller share of output (5%). If we can get the large cohort of middle (and low) performing farms to behave more like the high performing farms, we have the potential to significantly increase farming profitability by encouraging practices that maximise income from farming itself.

**Table 2. Share of farmed area and agricultural output by performance ratio group – source: Farm Business Survey, Defra**

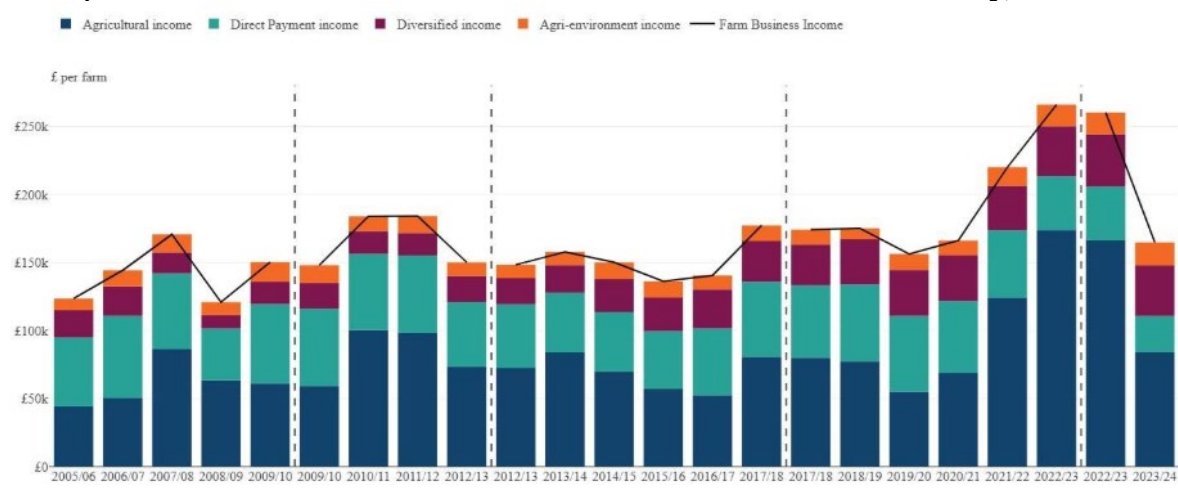
Performance ratio group	Share of farmed area	Share of total agricultural output
Top 25%	32%	30%
Middle 50%	57%	65%
Bottom 25%	11%	5%

Figure 7 shows that in 2023/24, nearly 70% of farms in the top performance band across all farm types recorded profits above £75,000, demonstrating that high input efficiency often aligns with strong financial outcomes. However, some farms earning less than £25,000 were also classed as high performers. These businesses tend to be smaller, and while their efficiency is high, their overall profit is limited by scale. Farms in the top 25% performance group consistently generate profits from agricultural activities (Figure 8). In contrast those in the middle 50% experience much greater variability (Figure 9). Those in the bottom 25% consistently make losses from agriculture (Figure 10). **Efficiency and profitability do not always go hand in hand, and a full understanding of the drivers of profitability requires consideration of both scale and business strategy, alongside external pressures such as market conditions and weather.**

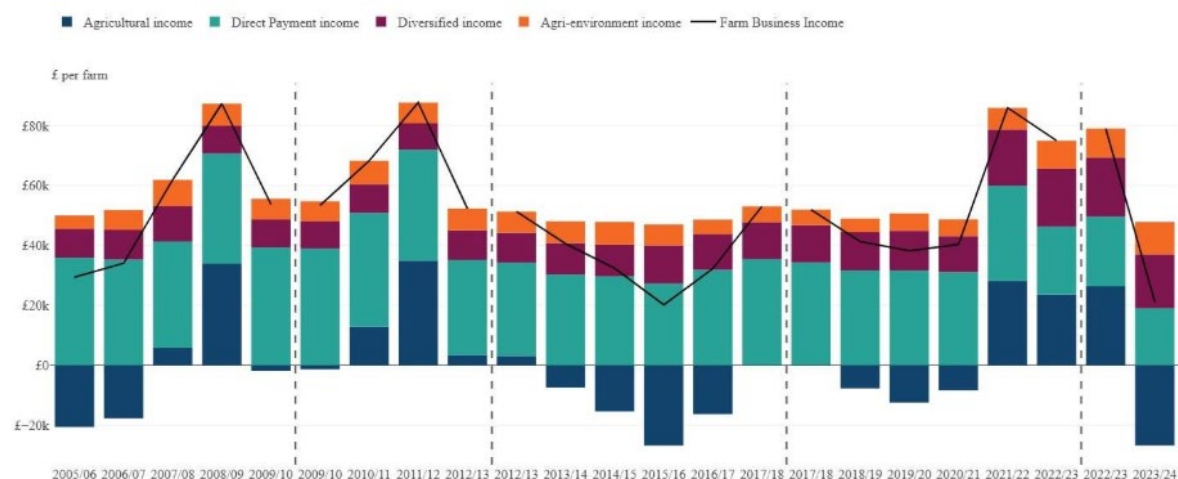
**Figure 7. The distribution of Farm Business Income by performance band, England 2023/24**



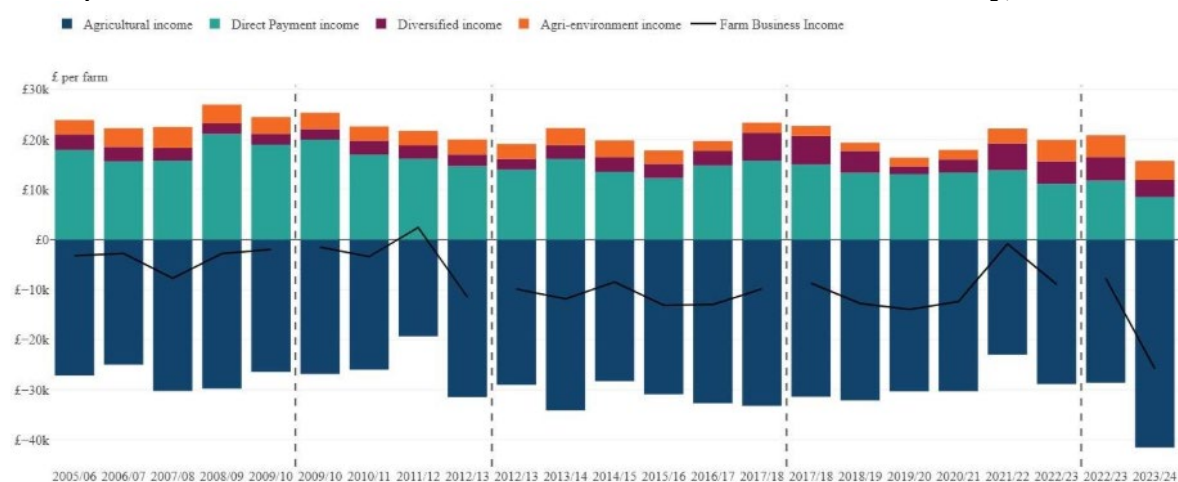
**Figure 8. High performing farms: Farm Business Income by cost centre (real prices) – source: Farm Business Survey, Defra.**



**Figure 9. Medium performing farms: Farm Business Income by cost centre (real prices) – source: Farm Business Survey, Defra.**



**Figure 10. Low performing farms: Farm Business Income by Cost Centre (real prices) – Source: Farm Business Survey, Defra.**



### 3.3 Impact of leaving the EU and political change

To further understand the drivers of profitability at a farm level we need to consider the context within which farmers have had to operate. In the past nine years, farming policy has undergone the greatest set of changes in living memory (summarised in Figure 11). In 2016 the decision was taken to leave the European Union (EU) with no plan in place for farming or international trade. In the following seven years Defra had seven Secretaries of State, five different Prime Ministers and no consistent political direction at a time when farming needed it most. In 2020 COVID-19 put immense pressure on the food system and farmers became key workers playing a hugely significant role in keeping the country fed. Then in 2022 Russia invaded Ukraine impacting both input costs and output prices to the extent that, at one point, the price of wholesale gas was 600% higher than in 2019. As a result, the Agricultural Transition has been anything but smooth or fair and has been underpinned by uncertainty and instability. At the start of the Agricultural Transition, farmers on only 10% of holdings surveyed as part of the Farmer Opinion Tracker (2019) said that they “fully understood Defra’s vision for farming”. This number has fallen to only 7% as of April 2025. Over the same period, 57% stated that they “roughly understood” it in the September 2019 Tracker falling to 49% in April 2025. The point being that farmers today are less confident that they understand the Government’s vision for Agricultural Transition than they were in 2019.

UK farming has had a long relationship with the EU, since joining the Common Market in 1973 and the decision to leave has fundamentally changed the world in which farmers must operate. Leaving the EU means agricultural funding is now run under Parliamentary funding cycles from Whitehall via Spending Reviews, the Budget and multi-annual plans. The Common Agriculture Policy (CAP) was set over a seven-year period (a multi-annual budget) providing certainty to farmers and avoided the farming budget being pitched against other priorities. Freedom to legislate farming has also raised standards of environmental protection and animal welfare above that of the EU. Despite this there were no plans to ensure a level playing field for food imports to be produced to the same standards and current, EU aligned food safety rules do not cover animal welfare or environmental protection (food values).

**Figure 11. Timeline showing changes impacting farming 2016 onwards**

2016	The Theresa May Government established the principle of a Green Brexit in 2016.
2018	The Government launched a Defra consultation titled: 'Health and Harmony' on how to achieve a 'brighter future for food, farming and the environment in England.'
2018	Agriculture Bill introduced into Parliament
2018	The Government proposed the Chequers Agreement outlining the UK's future relationship with the EU. It triggered the resignation of David Davis and Boris Johnson. The agreement was rejected by the EU and abandoned by the Johnson Government in 2020.
2019	The UK became the first major economy to pass net zero emissions law, requiring the UK to bring all greenhouse gas emissions to net zero by 2050.
2020	Environment Bill re-introduced into Parliament after the general election.
2020	(31 <sup>st</sup> Jan) The UK formally left the EU.
2020	The country went into lockdown as Covid19 pandemic took hold. UK and US set out plans to agree a free trade agreement by August.



2020	Agriculture Act received Royal assent.
2021	Agricultural Transition Plan in England launched, phasing out direct payments from EU and introducing new schemes focused on sustainable farming and public goods.
2021	Sustainable Farming Incentive (SFI) launched with 900 farmers.
2021/22	UK agreed liberalised trade deals with Australia and New Zealand. Truss aimed to liberalise trade for agriculture in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership deal (CPTPP).
2022	SFI launched
2022	The CPTPP was not fully liberalised due to Rishi Sunak's appointment as Prime Minister. He committed in writing to banning hormone-treated beef or chlorine washed chicken imports.
2023	SFI was launched and Countryside Stewardship (CS) updated with unbundled options and uplifted payment rates.
2024	(Jan) Cross compliance rules ended; new regulatory framework introduced for environmental and welfare standards.
2024	(March) SFI cap was put in place to new applications limiting 6 area actions to 25% of the farm following feedback from farmers.
2024	(July) SFI offer expanded by bringing some of the best Countryside Stewardship Mid-Tier (CS MT) actions into SFI. CS MT closed to new applications.
2024	Delinked payments introduced, replacing BPS and removing land-based eligibility requirements.
2025	SFI Pilot ended
2025	(March) SFI closed to new applications. At the time of writing we are awaiting further details of future scheme design.
2025	Land-use framework consultation launched, Farming Roadmap, Food Strategy Advisory Board announced.
2025	(May) UK-US trade deal signed.
2025	(September) New Countryside Stewardship Higher Tier opens.
2025	Agriculture transition in England ends.

Brexit and changes to immigration policy have disrupted access to seasonal migrant labour which the sector has long relied on. Defra commissioned the independent review of labour shortages in the supply chain led by John Shropshire in 2023 which highlighted that some farms have had to reduce output or scale down operations due to difficulties recruiting skilled and seasonal workers.<sup>1</sup> Labour shortages also drive-up wage costs due to increased competition for a shrinking pool of workers.

### 3.4 New approach to funding

When the Government launched the consultation titled: 'Health and Harmony' on how to achieve a 'brighter future for food, farming and the environment in England' (2018) they set out a principle of only spending public monies on public goods. At that time Government committed to work with farmers and land managers who wished to improve the environment by entering environmental land management contracts, which could span several years. 'These contracts would make sure that the environmental benefits farmers help deliver, but cannot be bought or sold, are paid for by the public purse'.

<sup>1</sup> [Independent review into labour shortages in the food supply chain](#)

They were to include:

- Helping deliver air and water quality
- Protecting and enhancing biodiversity on land, by providing habitats for wildlife.
- Preventing, reducing and adapting to climate change and other environmental hazards like flooding and drought. Planting trees was given as an example to help reduce flood risk and sequester carbon to help mitigate climate change.
- Providing public access to farmland and contributing to the public's understanding and enjoyment of nature.
- Protecting rural/historic environment and distinctive landscape features

It is clearly stated that farmers and land managers will be able to earn money delivering 'two types of goods and services' through selling products like food or timber to the market; and providing environmental services and benefits that society relies upon, which will be supported by Government funds as set out in the Agriculture Act 2020. The Environment Act 2021 enshrined in law a framework for environmental protection, post Brexit. It set legally binding targets for improving the natural environment, including air and water quality, biodiversity and waste reduction. The Conservative Government created the Office for Environmental Protection (OEP) to oversee environmental law and standards.

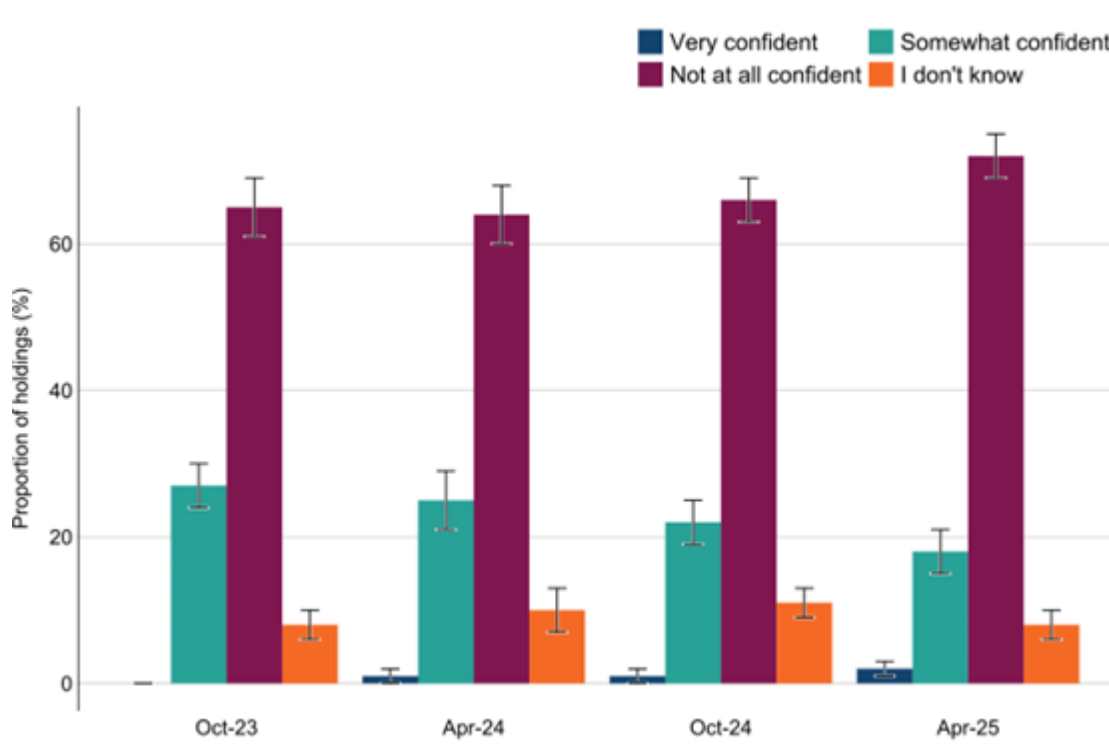
When the Agricultural Transition Plan in England was launched it phased out direct payments paid through the Basic Payment Scheme (BPS). Before the start of the transition 84,000 farms in England were receiving BPS payments, worth £1.8 billion annually and representing a major source of income for many farmers. In 2020/21, before the start of the Agricultural Transition, across all farm types, the average Basic Payment received was approximately £28,400 which accounted for around 55% of total farm income. The importance of BPS across farm types is varied, with mixed, grazing livestock and cereal farms most reliant on payments in 2023/24.

Defra has redirected funds used for the BPS and has introduced new schemes focused on sustainable farming and public goods: Sustainable Farming Incentive (SFI); Countryside Stewardship (CS); Landscape Recovery. The total amount paid out to agreement holders under CS and SFI in 2024 was £1.3 billion and as of April 2025, Defra figures show that 52,000 farm businesses were involved in agri-environment schemes.

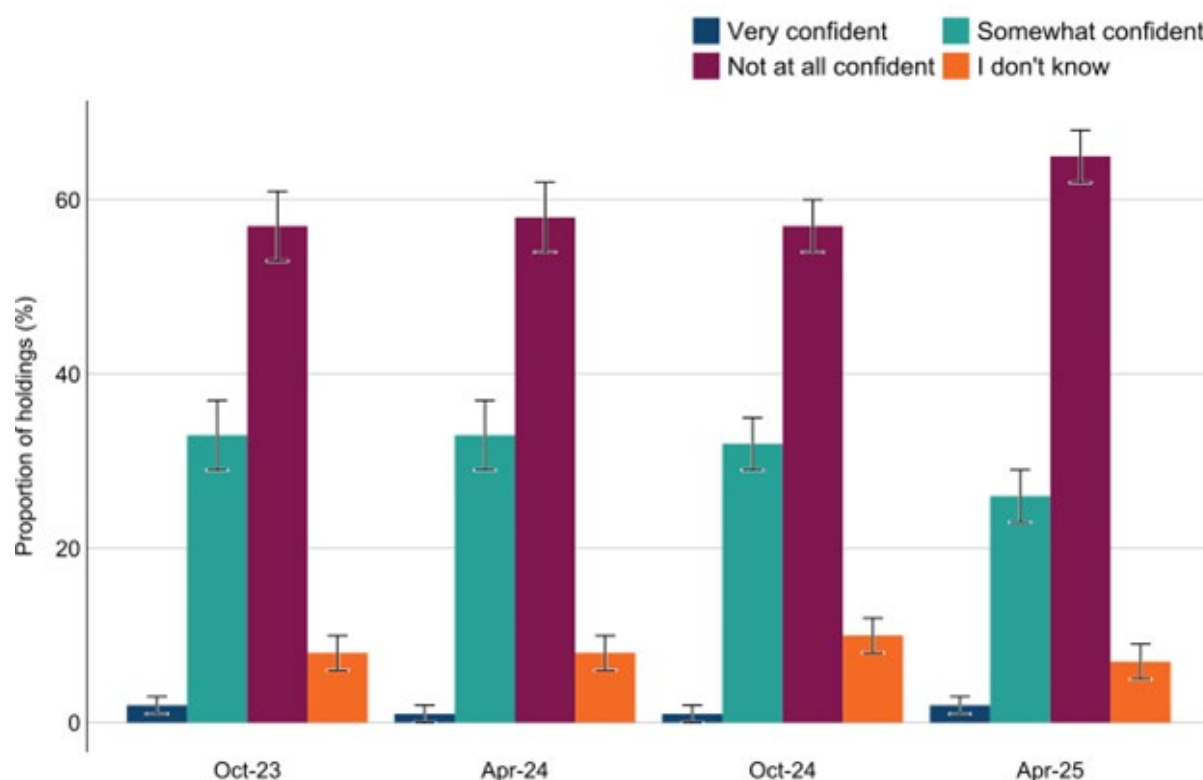
The way in which the schemes were introduced, and then the closure of the current SFI to new applications in 2025 means we have funding going to farmers based on when they applied rather than their needs or their returns and there are up to 50% of farmers who have no access to funding. It has also led to a lack of confidence in Defra to deliver. According to Defra's 2025 Farmer Opinion Tracker, farmers on 72% of holdings said that they are not at all confident that changes to schemes and regulations will lead to a successful future for farming (Figure 12). Additionally, farmers on 65% of holdings said they were not at all confident in Defra and its agencies' ability to deliver planned changes to schemes and regulations (Figure 13). Respondents to the Farmer Opinion Tracker expressed confusion and frustration about the pace and clarity of

policy changes. Some respondents described the transition as “disjointed”. Respondents also described the personal toll of these conditions, with some feeling “exhausted”, “disheartened” and “worried about the future”. These findings are supported by research recently published by AHDB which found that the primary challenge for farmers is policy instability, hindering strategic business and environmental planning. **Policy instability and uneven access to funding undermine farmers’ ability to plan and invest confidently, which in turn constrains profitability.**

**Figure 12. Proportion of holdings that are confident that changes to schemes and regulations will lead to a successful future in farming, October 2023 to April 2025 – source: Farmer Opinion Tracker, April 2025, Defra.**



**Figure 13. Proportion of holdings that are confident in Defra and Defra agency's abilities to work together to deliver changes to schemes and regulations, October 2023 to April 2025 – source: Farmer Opinion Tracker, April 2025, Defra.**



### 3.5 Conclusion

Farming remains a vital part of the UK economy and food system, but the past nine years have been marked by significant instability. Farm incomes have fluctuated, shaped by global market shocks, extreme weather, and rising input costs. Policy uncertainty has compounded these challenges and confidence in Defra's ability to deliver remains low among farmers. The post-Brexit transition brought major changes to agricultural support, with evolving schemes and regulations often perceived as unclear or inconsistent. Many farmers have struggled to navigate this shifting landscape, and confidence in the future remains low.

Business decisions remain a key driver of farm performance, yet even the most efficient farms are vulnerable to external shocks. The sector's ability to adapt is evident, but without a clear strategic direction of travel, confidence remains low. To date we haven't worked collaboratively between industry, Government and the supply chain. As a result of the instability of the last nine years we have no clear direction or common cause to give confidence to the sector to invest and grow.

Despite the pressures outlined in this section, there is clear potential for improvement. While some farms consistently achieve high performance through efficient use of inputs, many, particularly those in the middle performance band, experience

considerable fluctuations in profitability. Business decisions are a major driver of farm performance. Evidence shows that scale is not the only determinant of success. Smaller farms can be highly efficient, but their profits are limited by size. We should recognise diverse business models and avoid one-size-fits-all approaches. **We need to support the mid-tier farmer to reach the top tier and then manage the volatility to keep them there.**



## 4 Recommendations

### 4.1 Valuing Food and Farming

Farming is the fundamental foundation of the UK economy. Leading and writing this review I find myself reconciling the fact that whilst farming is clearly resonating with the British public as a respected occupation (it was voted second to nurses), the relationship with the State has not been one that appears to be valued. Much of this is down to the fact that farming policy and funding has been defined and delivered by the CAP and this has been the case for 50 years. Perhaps, it's not surprising that it's taking time to establish a constructive working relationship. Nearly all the responses to this review have cited Inheritance Tax as the single biggest issue regarding farming viability that they face. The farming sector is bewildered and frightened of what might lie ahead.

I have worked on the review in Defra for six-months. At the beginning it was strange, there seemed a lack of trust and that was probably evident on both sides. The feedback I've had is that the more people have listened to me, the more they've understood what I'm trying to achieve. For my part, I've been struck by the fact that some people know very little about farming, but others know and care a lot. I've had to learn the language, and, in some cases, Defra has had to learn mine too. But learning a language takes time and I'm convinced that Civil Servants need to get out on farms, helping in the lambing shed or spending a day picking fruit and farmers need to work with them. We need to plan much more together how we shape the future of food and farming.

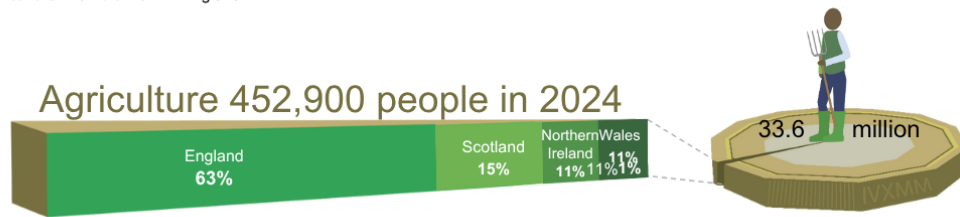
I'm starting my recommendations by saying we need a radical re-think of how we value food and farming. No sector wants to be reliant on the state and with defence and NHS spending at the rate it is, the state can no longer afford ever increasing demands on the public purse.

**Figure 14. How much does agriculture contribute to the economy**

In 2024, agriculture contributed £14.5bn (0.56%) to the UK economy. Agriculture employed 452,900 people in 2024, making up 1.3% of the UK workforce.



The total UK GVA figure was £2.57 trillion in 2024, of which agriculture contributed 0.56% (£14.5bn). The amount that agriculture contributes to the UK economy has varied little over time. A total of 33.6 million people were employed in the UK in 2024, of which agriculture employed 1.3% (452,900). Around two thirds of agricultural workers work in England.



Percentages may not add to 100 due to rounding

It's not just in farming's interest that there's more British food in every fridge and on every plate in the country. Let's make sure we're growing the British food brand from the local village shop and pub to cities at home and abroad. Unleashing and enabling growth in the food sector delivers multiple benefits. But food is only one part of what a farm produces. Tourism, recreation, access to the countryside, are all part of a thriving economy. Then there's machinery dealerships, agronomists, farm vets and many other jobs that are integral. It's these relationships that are the building blocks of a functioning rural economy. Other countries have assessed the impact of related industries to GDP. The total GDP for agriculture plus those industries tends to be around 80% bigger than agriculture alone.

In the UK the Office for National Statistics (ONS) produce the annual natural capital accounts. In 2023 the ONS estimated that the health benefits which accrued from enclosed farmland was £1.2 billion, meanwhile the tourism benefits were estimated as £1.1 billion.

When people say, "we don't need farmers, we can get our food anywhere". It's perhaps a reminder that this review is important for farm profitability but it's equally about profitability for those associated with farming. Growing the British food brand is also about, people and jobs, and livelihoods.

**Figure 15. Structure of the UK agricultural industry**

of the UK land total in 2024).

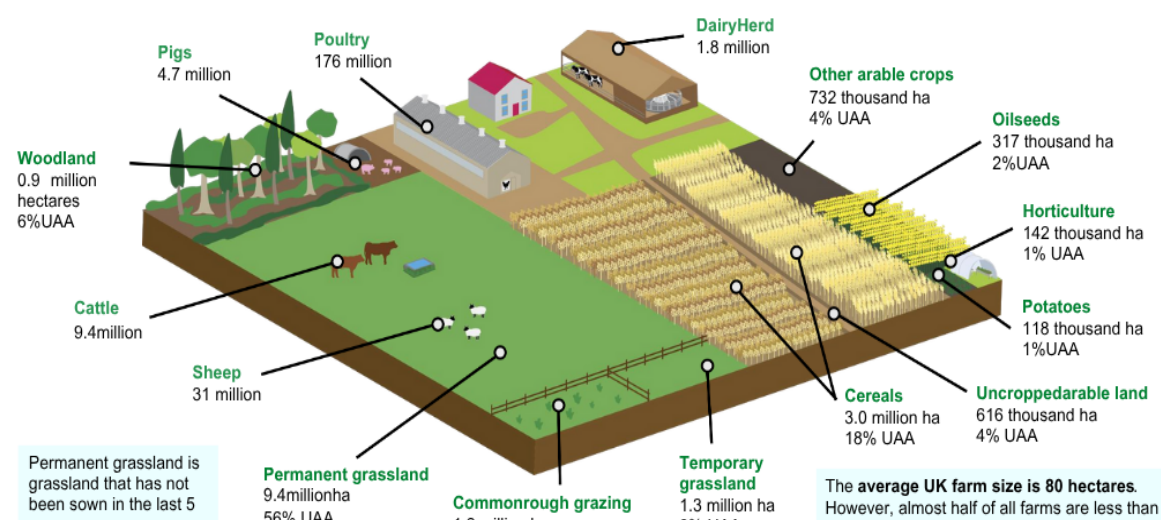
The Utilised Agricultural Area (UAA) includes arable and horticultural crops, uncropped arable land, land for outdoor pigs, temporary grassland, permanent grassland and common rough grazing.

Total UAA has remained between 17 and 18 million hectares (ha) since 2000.

Total croppable area consists of cereals, oilseeds, potatoes, other arable crops, horticultural crops, uncropped arable land and temporary grassland.

In 2024, the total croppable area was 6.2 million ha, around 1/3 of the UAA.

In England in 2024, 100,000 ha of agricultural land were used to grow miscanthus, short rotation coppice and maize for renewable energy generation/anaerobic digestion. 7,000 ha of agricultural land were covered with solar panels, with 50% of this land still being used for agricultural production or grazing.



1

**Recommendation:** In line with other countries, ONS should reassess value of GDP for UK agriculture and horticulture production by also measuring value of primary and secondary processing.

2

**Recommendation:** ONS should conduct an external/independent assessment of the full current and potential value of farming i.e. businesses that are directly related to farm businesses. Including allied industries, associated research stations, green energy, recreation and tourism.

3

**Recommendation:** Government to place more economic value on nature, which is currently not measured in GDP, by: i) ensuring ONS go further and faster in including the additional measures they are developing for international accounting (under the 'Beyond GDP') in the national accounting framework; and ii) Office of Budget Responsibility (OBR) and HMT to consider natural capital stocks and flows in their assessment of the UK economy.

## 4.2 Volatility, resilience and viability – market monitoring

The **State of the Nation** analysis clearly shows that for the middle performing farms profits from agriculture and horticulture alone are highly volatile. These businesses are farming 57% of farmed area in England and deliver 65% of agricultural output. Their profitability and in many cases, viability is underpinned by income from diversification, agri-environment schemes and direct payments. We do not have access to information on performing farms in the SFI scheme and those businesses not in SFI. But historic evidence proves that not having BPS or SFI payments is going to have a very negative impact on farm viability and farm output.

There are choices to be made, but given England is still in a transition period, I strongly recommend that Defra introduces a simplified SFI for next year. This should be available to all businesses not currently in a scheme. It would also seem sensible that investment is targeted at farming by embedding the **Active Farmer Principle** (already used in Wales). The incorporation in SFI of protein crops (peas and beans) will deliver multiple public goods and have the enormous global benefit of displacing our reliance on imported soya. Incentivising growing oilseeds and pulses will add further public good benefits, as well as providing benefits to nutrition and diet for people and livestock.

### The Active Farmer Principle

To be eligible for the sustainable farming scheme in England you would need to be an “active farmer”, meaning you:

- Undertake agricultural or ancillary activities on agricultural land (as defined by the Agriculture England Act 2020. Ancillary activities refer to actions such as processing products derived from agriculture, or taking action on land used for agriculture in relation to nature conservation or to mitigate and adapt to climate change.
- Have at least three hectares of eligible agricultural land in England or be able to demonstrate more than 550 standard labour hours.
- Have exclusive occupation and management control of the land for at least ten months of the calendar year.

4

**Recommendation:** Defra to provide a scheme that is available for applications from farmers that were unable to access the previous SFI scheme. The scheme should include soil baselining, protein crops (peas and beans), pulses and oilseeds alongside existing SFI options that deliver greater resilience, including herbal leys and cover crops.

Scheme must include options for Hill and Upland farmers and importantly, measure the importance of farmers and their families and those working on farms in these often-isolated areas.

**5** Recommendation: Defra to assess the most cost-effective way to deliver the scheme.

**6** Recommendation: Defra to apply the 'Active Farmer Principle' to schemes in the Farming Budget to ensure funding is only going to farmers, rather than landowners or developers.

### 4.3 SOILSHOT: Food, Nature and Soils Transformation Fund

The Environmental Land Management scheme is a global first, in that no other country in the world to date has attempted to follow the path that England has to invest in public goods. The slogan in the beginning was all about 'public money for public goods'. In the world as it is today, with escalating national debt and taxpayer investment diverted to defence spending the public purse is no longer able to deliver what's needed. Many countries across the world are watching what will happen with the principle of funding environmental benefits over and above food production.

On the evidence I have family farms in England are at serious risk. Analysis undertaken by **Strutt and Parker** (S&P) estimates that for profits to be economically sustainable, they should be able to support a family and allow reinvestment into a business, and it would need to be more than £250 per hectare. For a typical farm size of 140 ha, their analysis suggests that profits would need to be ~£34,500 per year, which is similar to the median household income for the UK. Strutt and Parker estimate that around 50% of all farms fall below this level. There is an urgent need to create a new privately funded economic model that builds financial farming resilience, delivers Government priorities, and benefits taxpayers and consumers.

Our lives depend on the soil – **SOILSHOT+NATURE** would deliver a three-point plan to build the nutrient/carbon cycle in our soils by:

- Standardised baseline for carbon, soil, water and biodiversity outcomes
- Commercial research project to scale removal, drying, pelletising waste nutrients.
- Following the '**Whole Farm Approach**' to build soil fertility and resilience.

#### 4.3.1 Current problems faced by farmers and investors

Farmers face rising fixed costs, up 30% from the start of the transition, regulatory compliance means that farmers are frequently farming to a different set of rules to other countries that we import raw ingredients from. Price volatility from increased



frequency of economic shocks and more extreme weather events all challenges the viability of the family farm structure in England.

Whilst Government policy is well intended, the existing metrics for Biodiversity Net Gain (BNG) and environment are narrow and focused on the non-food producing areas. Given the unprecedented challenges on public funds, it does not appear possible to achieve the same level of funding per hectare received under BPS or recent funding for the SFI scheme.

#### 4.3.2 Private sector investors are seeking routes to invest in farming

Throughout my review I have engaged with retailers, processors, banks and insurers and the financial service sector. There is a common theme that is aligned to farmers concerns on the need for a standardised approach to define how carbon, soil, water and biodiversity outcomes can be measured. Achieving a common approach will then allow farmers to measure the benefit of their management practices with confidence. Respondents to the review have highlighted four key barriers to investment in farming which Defra should address to unlock private financing:

- i. Proliferation of metrics, standards and calculators, without a common framework makes it challenging to know what is being delivered by farmers and has stifled investor and market confidence.
- ii. Lack of availability of high-integrity, Government backed schemes, that give confidence investment will deliver outcomes
- iii. To date green finance options have also failed due to lack of scale.
- iv. Land is being bought by largescale businesses for off-setting requirements. In some cases, removing farmers from the land and lacking market integrity.

See [Annex 7.1](#): Agriculture Productivity Group: Soil Health Metric submission

#### 4.3.3 Defra led transformation fund.

Defra is unique in that it can ensure the credibility and integrity the financial market is needing, and it can deliver scale, with a Government-backed scheme through the British Standards Institution (BSI) and at the same time offer landscape scale on deliverability. Rather than keep putting more funds into the non-food producing areas what's needed is investment that will deliver a multi-faceted return: building on-farm resilience, de-risking the financial sector and providing an affordable option for corporate businesses to fulfil their commitment to the TNFD.

As a first step I recommend establishing the SOILSHOT + NATURE Taskforce to ensure BSI standards supports standardised measurement of farm focused environmental outcomes from: soils, hedgerows, trees and year-round green cover. It should include bi-cropping, companion cropping, herbal leys and cover crops. These can then be used to market and sell the environmental benefits through insets and offsets. The approach allows farmers to retain flexibility of their farm management, in

line with their unique operating conditions whilst implementing practices that work in their own farm business model to deliver and demonstrate environmental improvements. The measurement standards must ensure they are applicable to agriculture. The focus must be on starting from the right place and not committing farmers to multiple complex metrics which could prove very restrictive. Experiences reported from engagement with the green taxonomy both in the UK and EU make it clear that we should not tie farmers to a market access standard while allowing imports to come in without an equivalent standard.

Alongside establishing the metrics and model of a new scheme, it is also essential that those throughout the supply chain who benefit from resilient domestic farming are obliged to invest. Extensive work has been undertaken by the TNFD to enable improved nature reporting; however, measures are currently voluntary. Mandating nature reporting would be an opportunity to drive engagement and deliver a business benefit to larger corporate businesses who are currently unable to invest in a high-integrity scheme with scale to deliver. The scale is also critical to business affordability, unlocking investment in infrastructure projects that are currently held back. Enabling growth and wealth creation. **If the ‘SOILSHOT+NATURE Taskforce’ is successful it can deliver a new economic model for the UK to lead the world in sustainability and valuing nature by unlocking schemes that:**

- Deliver investment in farming and nature resilience on individual family farms.
- Achieve Government priorities and compliance with the Environment Improvement Plan (EIP).
- Fast-track commercial research project to include sludge and removal of micro-plastics, alongside nutrient removal from poultry, pigs and dairy sector.
- Transform soil fertility.
- Provide business beneficial, affordable nature credits for corporate businesses and de-risks financial sector.

**7** Recommendation: Defra Secretary of State should lead: “SOILSHOT + NATURE taskforce to explore development of a new funding stream to achieve payment rate in line with S&P comparison to median household earning. Taskforce should include the NFU, Country Land and Business Association (CLA), Institute of Grocery Distribution (IGD), Banks, Defra Green Finance Team and HMT where appropriate.

**8** Recommendation: Defra/industry should work to develop a consistent set of standardised metrics for inseting markets to ensure their use in supply-chain agreements to address scope 3 is equitable and high integrity.

**9** Recommendation: Defra/industry explore metrics aligned to agriculture for inseting and offsetting for nature outcomes: hedges, trees, green cover, nature benefiting herbal leys and cover crops.

**10** Recommendation: Defra must mandate nature reporting for corporate businesses in the UK via TNFD.

**11** Recommendation: Defra should work with industry to establish a Whole Farm Approach to building soil health, restore fertility, cut emissions, and increase resilience. This should include working with the Food Data Transparency Partnership, Farm Productivity Group, Sustainable Farm Networks, Linking Environment Food and Farming (LEAF) Demonstration Farms and others.

**12** Recommendation: SOILSHOT+NATURE: to ensure a high integrity option in the Defra BSI standards.

## 4.4 Need for Partnership and New Approach

The State of the Nation shows the considerable change we have been through over the last nine years. Farming is operating in a fundamentally different environment. Since leaving the EU, the impact of a global pandemic, war in Ukraine and the Middle East and ever more extreme weather events mean we have not reset the way we work to manage those risks or take greatest advantage of the opportunities for the sector. We need a fundamental reset to make the most of our new position in the world, driving productivity improvements, becoming more competitive on the global market and supporting farmers to manage the additional risks.

### 4.4.1 Best practice in partnership working

The Republic of Ireland and New Zealand (NZ) are often held up as best practice and both Bord Bia and Teagasc and the NZ Ministry of Primary Industries were consulted during the review. Along with more practical ideas they both talk about the fundamental importance of partnership working at every level to develop and capitalise on market growth. If we are to be equally effective, we must develop the same collaborative and partnership culture at all levels, alongside a shared vision for farming to provide direction and investment confidence.

### **CASE STUDY: New Zealand Partnership**

The New Zealand government and industry have an ingrained partnership approach to agriculture. Just one example of this way of working is the Global Risks and Opportunities Workshop (GROW). GROW has participants across government and the primary sector, including dairy, meat, horticulture, wine, forestry, and seafood. It enables the New Zealand Ministry for Primary Industries (MPI) and industry to stay aligned on international sustainability opportunities and challenges specifically to:

- understand risks/opportunities by industry on sustainability requirements,
- inform how MPI should engage internationally on sustainability, and
- work with industry to build a narrative for NZ Inc.

GROW is an informal mechanism and allows members to have a broader primary sector-wide view on international sustainability opportunities and challenges – such as key markets and future sustainability requirements to focus on. Working with GROW MPI has developed a market engagement framework, including GROW-endorsed principles of sustainable agriculture.

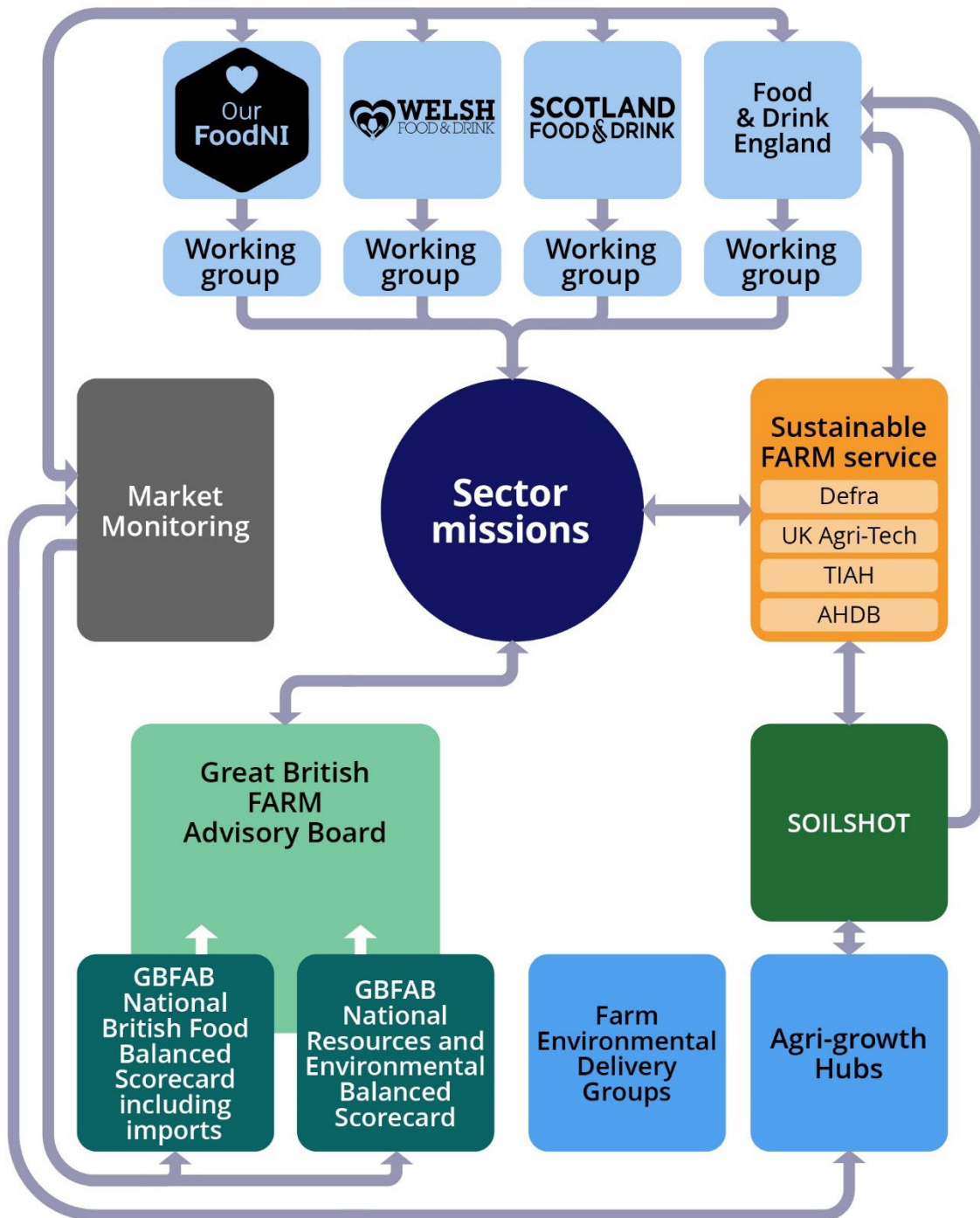
#### **4.4.2 A new approach for embedding partnership**

We can't recreate the New Zealand or Republic of Ireland approach as we have a different history and a different industry, but we must rethink the way farmers/growers, Government and the supply chain work together. To do this we need to consider holistically the structures we have in place to support partnership working from the strategic to the individual farmer level. We are not starting from scratch we have lots of pockets of expertise and best practice, but that must be brought together and built upon. What we need is a way of:

- Setting ambition/direction to have more British raw ingredients in our domestic and international markets and creating a plan to make that happen.
- Growing production, consumption health benefits and value to the UK economy.
- Targeting research, advice and support, including skills, offered to farmers to grow more but impact less whilst producing food for a healthier nation.
- Talking and listening to farmers across the country so their voices inform the ambition for better research, support, advice and skills.
- Supporting farmers/growers to sell more of their high-quality produce by incentivising a better food culture and local supply chains.

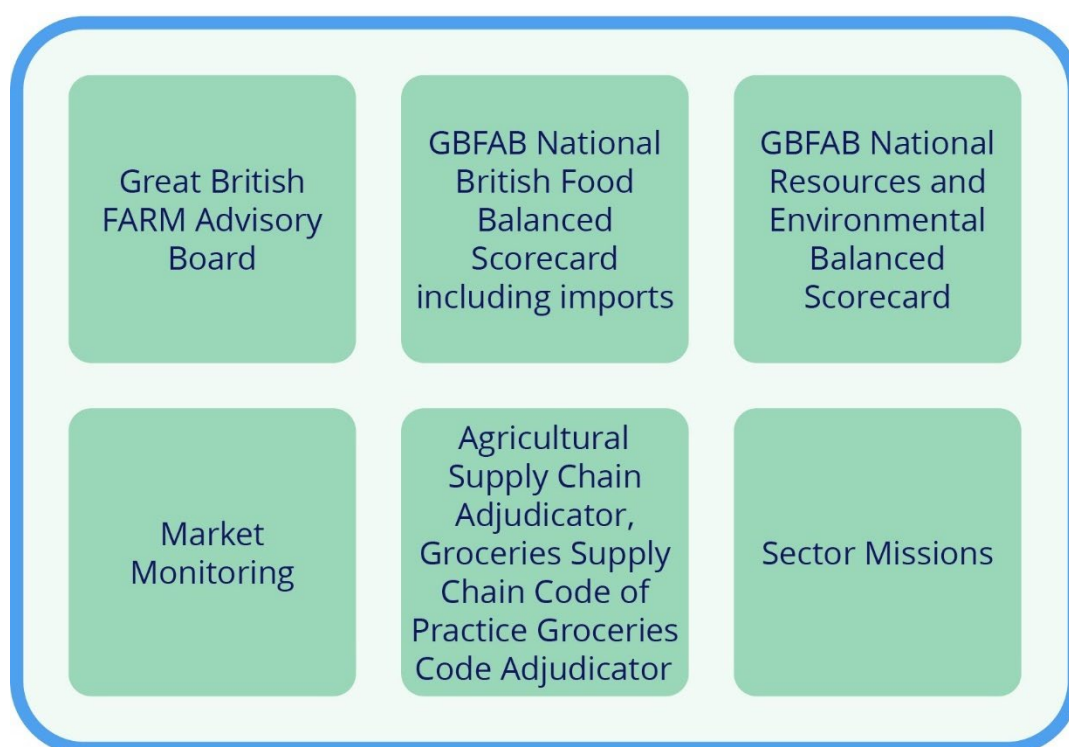
The rest of the report goes into detail about the different parts of this new way of partnership working but individually may miss out on the importance of seeing this as a whole. Figures 16 and 17 outline how I envisage the system working together, both at a cross UK level and within England.

Figure 16. A new approach for embedding partnership





**Figure 17. Partnership at the UK level**



## 4.5 Great British FARM Advisory Board

Ultimately any business' profitability is driven by its ability to manage input costs against its ability to sell goods and the price received for those goods. To support farming profitability, we need to support our farmers to grow and sell more of what we're good at producing, be that in domestic or international markets. However, in light of the current situation of over-supply of milk in the UK, it proves how important it is to **link consumption with production and then plan for growth and exports**. That requires the creation of a common understanding of those markets, agreement on the ambition to grow our market share and a plan to get there that all the varied players in the agri-food supply chain can focus on achieving. It requires an understanding of the different markets, an understanding of our current production levels, an understanding of how to improve our production and a concerted effort to identify and remove the barriers.

**This agreed ambition and plan for the sector will, in turn:**

- Signal to farmers and growers the demand expectations.
- Allow targeted removal of barriers.
- Give direction to goal-orientated research.
- Target skills and advice to farmers.
- It can also inform priorities for trade deals and signal to farmers where there are opportunities presented by those deals.

The sheer number and variety of recommendations put forward during this review from respondents demonstrates that there is no single vision of where we want to take

farming now or in future. This lack of clear ambition for the sector means we miss opportunities for growth. Without insight about likely market demand from farm-level business decisions, this undermines the confidence of farmers/growers to invest and grow their businesses and the supply chain to invest in domestic production. Given the varied nature of farming this lack of common cause also means the asks of Government are so numerous they lack impact.

More than all of this, our lack of joined up understanding and vision threatens our basic food security or can lead to oversupply, reducing prices, as we're currently seeing within the dairy sector. Without an accurate picture of the needs of our domestic market, our ability to service those needs and the role played by imports and exports we will never be able to ensure we can fulfill the very basic need to feed the population.

Respondents to my open letter to the sector (see [Annexes 6.5-6.9](#)) recognised this picture particularly in relation to export markets. They called for **collaboration and a strategic approach** to developing export markets focusing on the opportunities and barriers to improve our farmers' ability to sell into international markets. This is very important, but we must also look to release the untapped potential in our domestic markets. Through the review retailers have talked about the desire of UK consumers to buy more high-quality British produce, as demonstrated by Red Tractor assurance, which is currently on £18 billion of British food. In terms of sales, the retail market is worth £124.5 billion, with the out of home food market worth £124 billion and public procurement worth £4.9 billion. That is why it is so important that our ambition to have a collaborative and strategic approach to developing export markets should also apply to all markets including retail, out of home and public procurement.

### **CASE STUDY: Ascot Racecourse**

Ascot Racecourse hosts racing and non-racing events year-round, including Royal Ascot, one of the most famous racing meetings in the world. Every June, the food and beverage department caters for up to 300,000 people over the five days of Royal Ascot.

Ascot is committed to sourcing more produce from UK suppliers but points to 2 blockers to this ambition, which it has taken steps to overcome:

1. **Product volumes:** Ascot requires large quantities of quality produce at a competitive price to meet the demands of its events calendar.  
To meet business demand from UK suppliers, Ascot has pivoted to more seasonal menus.
2. **Route to market:** Ascot's procurement process involves major collaborations with large global wholesalers that generate competitive pricing based on bulk deliveries in a connected logistics network. Dealing with smaller growers can be logistically demanding and more expensive. To facilitate engagement with smaller UK growers, Ascot has developed a better market process to work with artisan and individual suppliers. It recognises that this can incur additional costs, but this is justified by growing demand and consumer appreciation for quality British produce.

Ascot typically needs to advertise its menus ahead of harvest, creating risk and uncertainty over what produce will be available at the time of catering. To help mitigate against this, it liaises closely with its suppliers like Watts Farms to forecast product volumes to ensure demand is met. Ascot notes that greater investment in indoor horticulture across the UK could extend the growing season and offer a more stable supply, which would further reduce risk.

### **Watts Farms**

Watts Farms is a family-run business farming over 600 hectares of land over Kent and Essex. It grows around 100 varieties of vegetables, fruits, salads and herbs every year. Ascot particularly relies on its supply of seasonal produce during the high-volume demand of Royal Ascot and the summer months, including asparagus, strawberries, heirloom tomatoes, tenderstem broccoli, mint and micro herbs.

Watts Farms invests in product development by growing new varieties, as well as dedicating time to research best methods of preserving freshness and flavour once crops have been harvested. It has four accreditations.

- British Retail Consortium Global Standards (BRCGS) – assures that its food has been packed to consistently safe and high-quality standards
- Red Tractor Farms Assurance Fresh Produce Scheme – demonstrates that the high standards of production meet nationally agreed levels of best agricultural practice

- Linking Environment and Farming (LEAF) Marque – produced by farmers who care for the environment
- Organic Farmers and Growers – organic produce meets the required standards

Ascot relies on Watts Farm for sourcing UK produce to meet the high volume it needs during Royal Ascot and the summer months. It liaises with Watts Farm on forecasted volumes to ensure demand is met.

I recommend that Defra and the industry work together to establish the ‘**Great British FARM Advisory Board**’ (GBFAB) to bring together those with the insight and technical expertise to establish an ambitious, but realistic, plan for agriculture and horticulture and what is needed to deliver it. In doing so developing and making the most of our unique selling points and the quality of the British brand. The GBFAB will be responsible for tracking delivery of those plans and identifying or removing any barriers. **This is not a new organisation**, but rather the bringing together of an advisory group made up of those with technical expertise in farming and the supply chain to understand the opportunities and barriers and ability to pull levers to make change happen.

The chapter in this review on valuing and growing our British brand ([Section 4.6](#)) talks in more detail about the role imports and trade deals play in our domestic markets. The trade deals negotiated since we left the EU will increase competition for our farmers but also open up new international markets for our produce. **The plans for our domestic markets must be used by Government in future trade negotiations** so that the impact of any import trade-offs are fully understood and we have a joined-up approach to ensure that trade deals don’t undermine what we want to achieve at home. On the flip side, there has been a longstanding ambition to increase our export markets by 30% by 2030, but without clear direction on how to get there. Bringing export markets within the GBFAB will mean we can create a plan for growing our export market that works with and sits alongside the needs of our domestic markets. It will provide direction for our valuable attaché network to open international markets and support farmers to access them. We need the same ambition for domestic food production by growing demand in the domestic market for British-produced raw ingredients.

Farmers not only produce the food we eat, but also the raw ingredients for fuel, fibre, flowers, environmental horticulture and the wood needed for construction (among other uses). We need to be equally ambitious in these markets. Our agricultural sector’s contribution to green energy markets and the UK’s energy strategy must also be considered including the role of biorefineries. The scope of GBFAB should encompass food, as well as growing the markets for those raw ingredients and maximising opportunities for wood, environmental horticulture, fuel, fibre, and the circular economy. Given the varied scope and expertise needed this may mean splitting the responsibilities of the GBFAB to consider the needs of these different markets.

### **CASE STUDY: Sustainable Rope Ltd**

There are various opportunities within the circular economy where farmers can reduce waste while developing new revenue streams.

Sustainable Rope Ltd provides alternatives to plastic rope production by manufacturing natural rope from 100% wool that can be traced back to UK farms. They are currently involved in the Future Island-Island project, a creative design fellowship led by Ulster University and supported by researchers Professor Alison Gault and Anna Duffy, in collaboration with Kate Drury and Philip McFaul funded by the UK Research and Innovation Arts and Humanities Research Council (UKRI AHRC) flagship Green Transition Ecosystem programme. The project explores Rathlin Island in Northern Ireland as an interconnected ecosystem, bringing together design, science, and community collaboration.

Sustainable Rope Ltd takes Blackface wool from local sheep and transforms it into rope and yarn, which is then returned to Rathlin Island for use by the islanders. Traditionally regarded as a by-product of the meat industry and considered unfavourable for textiles, Blackface wool is being given new life through this innovative process.

The wool rope is currently being trialled in seaweed farming around the island, potentially opening up further sustainable applications for local wool that might otherwise be discarded.

In summary the role of the GBFAB should be to:

- **Take a holistic** approach and agree a shared vision for farming to support:
  - Farmer, grower and supply chain investment decisions.
  - Goal orientated science and research priorities.
  - Trade negotiations/export strategy.
  - Domestic marketing through '**Food and Drink England**'.
  - Priorities for Government enabling policy.
- **Establish sector-missions to create better understanding of where farmers and growers see areas for growth.** As an example, horticulture has an ambition for growth, but not for what or to whom. At a primary production level, we need a much clearer idea of the opportunities for growth within the domestic market and from there we can establish the growth areas for exports. This is particularly important as we start to import more produce from other countries.
- **Establish a national 'Buy British Food Balanced Scorecard' to track the levels of British sourcing in all markets.** This will track progress against the sector missions, alongside monitoring levels of raw ingredient imports to identify

the degree to which imports are eroding markets for British produce. Also have a '**National Resource, Circular Economy and Environmental Horticulture Balanced Scorecard**' to predict demand for wood, fuel, environmental horticulture and fibre. These scorecards will allow the GBFAB to track and manage delivery of the sector missions.

- **Promote and grow the British brand through collective agreement to a revised Retail Voluntary Principles on origin labelling and extension to out of home.**
- **Ensure the implications of trade deals** on increasing market share of British raw ingredients in retail, out of home and public procurement are fully understood through close links to the Trade and Agriculture Commission and import data gathering.

Given the inclusion of export markets, the **GBFAB should encompass Scotland, Wales, Northern Ireland and England and bring together farmers, the supply chain and Government to work in partnership to develop and capitalize on all markets.** What the last nine years have taught us is that things change, often in unexpected ways. The farming profitability review could have set out that vision for farming and detailed recommendations for how to get there, but undoubtedly it would have very quickly become out of date. Instead, we need to foster a collaborative approach that can shift as the world shifts around us.

**This approach is not a new one.** In 2018 the Food and Drink Sector Council was set-up, in 2023 the Food and Drink Export Council first met and last year the Food Strategy Advisory Board was established. Unlike those boards the GBFAB will have a clear focus on growing our market share of British raw ingredients into retail, out of home, exports and public procurement. It will also have the wider Sustainable FARM service

Ultimately the GBFAB is an advisory Board and similar to the board of Bord Bia in the Republic of Ireland, should ideally be formed of no more than ten members recruited for their expertise and led by an independent chair.<sup>2</sup> However, while being established the GBFAB should be chaired by the Environment Secretary, moving to an independent chair after 12 months. Membership should include farmers and growers and wider industry technical expertise, including devolved representation and representation from retail, out of home and public sector suppliers. Government representation should include the Department of Business and Trade (DBT).

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<sup>2</sup> [Bord Bia Board Members](#)



**13** Recommendation: Government and industry to establish the Great British FARM Advisory Board (GBFAB) to take a strategic approach to increasing market share of British raw ingredients in retail, out of home, exports and public procurement. The GBFAB should bring together technical expertise from government, farmers and the supply chain to agree sector missions within each market. The Board should have the necessary expertise to identify the opportunities and blockers and resulting action needed from government policy, the supply chain and on farm delivery.

**14** Recommendation: The GBFAB should track progress through a national balanced scorecard for each sector alongside tracking imports. The balanced scorecard should cover the British sourcing requirements from food retail and out of home to co-ordinate sector missions, as a means of managing supply and demand within the agriculture and horticulture sector as we import more food.

**15** Recommendation: The GBFAB to develop a meaningful plan for growing our exports 30% by 2030, using the balance scorecard to balance exports with demand from the home market and building in the ambition in sector missions. Using this plan as a basis, the government is to develop a coherent approach to trade negotiations and ensure continued support for our network of attachés to open global markets.

**16** Recommendation: Defra should ensure the Circular Economy is considered at all levels of farming policy and decision making from exploring opportunities to reduce costs to creating new revenue streams through innovation and unblocking market failures.

## 4.6 Valuing and Growing our British Brand

Fundamental to farming profitability is **balancing supply and demand**. Price, particularly in the red meat sector will come down quickly if we start to import more beef and lamb. Imports also threaten to displace and reduce overall levels of British sourcing. On the other hand, trade is necessary for example where we rely on it to achieve carcass balance and for agricultural inputs. Careful consideration of the role of imports is therefore vital.

As members of the EU, the UK was part of the Single Market and Customs Union and didn't negotiate trade deals. Since leaving the EU, the UK has negotiated free trade agreements (FTAs) with some of the largest, most successful agricultural exporting

countries in the world, including Australia and New Zealand, where the trade deals with the UK will become fully liberalised. The UK is widely recognised as one of the most prized food markets in the world, with the USA saying it has “un-tapped potential”. This puts increased pressure on our farmers to compete with farmers in other countries and in global markets.

Since leaving the EU, we have the freedom to introduce higher standards for the raw ingredients we produce. Our farmers should be rightly proud of the quality of their produce and the higher welfare and environmental requirements they meet. However, to ensure our farmers are not put at a competitive disadvantage, **we must ensure they are not undercut with cheaper imports produced to less stringent standards.**

#### 4.6.1 Feedback from review respondents

Some respondents to the review talked about the importance of **embedding safeguard clauses within trade agreements**, particularly to protect sensitive sectors such as beef, lamb, eggs, and pork from being undercut by lower-standard imports. Understanding the true impact of trade deals on our domestic production was also raised and the need to assess not only the individual impact, but also the cumulative impact of FTAs on our farmers.

In June 2025 the Government published its Trade Strategy, recognising that the:

*“UK’s approach to date has often been reactive and fragmented. To ensure long-term resilience and competitiveness, the UK needs a clearer, more proactive approach to imports that strengthens domestic capabilities where appropriate, while maintaining secure, fair, and reliable access to products and services from abroad.”*

Some respondents to the review welcomed the inclusion of the quotes in the box below in the Trade Strategy, but are sceptical about if and how they will be applied, in particular, the use of safeguarding clauses:

*“A thriving agriculture sector underpins our food security and supports the prosperity of regional communities across the UK. We will not lower food standards and will uphold high animal welfare standards.”*

*“We will always consider whether overseas produce has an unfair advantage and any impact that may have. Where necessary, we will be prepared to use the full range of powers at our disposal to protect our most sensitive sectors including permanent quotas, exclusions and safeguards. We will always maintain UK levels of statutory protection in relation to human, animal or plant life or health, animal welfare, and the environment.”*

## 4.6.2 The Trade and Agriculture Commission (TAC)

**Getting the balance right between free trade and ensuring our farmers are protected from international competitors, who can undercut on standards is difficult.** In 2020 the Trade and Agriculture Commission (TAC) took on the task of advising the UK Government on how best to advance the interests of British farmers, food producers and consumers in future trade agreements. The TAC brought together farmers, the supply chain and others with an interest in protecting standards. **Recommendations 3,4,7 and 8 of the TAC report** all called for the need for global standards on environment, welfare and labour rights respectively and for those to inform trade deals.

The TAC continues to have a role in scrutinising new FTAs once they are signed. As an independent committee they provide advice to parliamentarians on whether, or to what extent, the measures provided for by new FTAs are applicable to trade in agricultural products and are consistent with the maintenance of UK levels of statutory protection in relation to:

1. Animal or plant health.
2. Animal welfare.
3. Environmental protections.

If we want to see increases in sales of British raw ingredients in retail, out of home and public procurement markets we need to **monitor the impact of trade deals and resulting imports of raw ingredients**. The TAC should, therefore, be invited to attend the Great British FARM Advisory Board (GBFAB) to report on the impact of recent trade deals on British sourcing. Industry and Government also need to know how much volume, across all sectors, is coming onto our market through imports to agree strategy. Import data should therefore be provided as part of the balanced scorecard provided to the GBFAB.

**17** **Recommendation:** Support the initial Trade and Agriculture Commission's recommendations 3, 4, 7, 8 and the call on the UK government to promote, lead and develop global standards on environment, welfare and labour rights. Ensure farmer representatives are part of UK trade delegations (in line with US, Australia and NZ)

**18** **Recommendation:** As set out in government's Trade Strategy, government must ensure we use the full range of powers to protect our most sensitive sectors, including ensuring tariff and safeguarding measures are included in all trade deals. Use the GBFAB balanced scorecard, including import data, to track volumes and through the market monitoring team flag if safeguarding measures need to be applied.

19

**Recommendation:** Defra to support the continued role of the Trade and Agriculture Commission (TAC) in scrutinising trade deals and for the TAC to regularly engage with the Great British FARM Advisory Board to ensure implications of trade deals on increasing market share of British raw ingredients in retail, out of home, exports and public procurement are fully understood.

#### 4.6.3 The need for transparent and clear labelling

**‘British’ branding should not be used on imports.** This undermines the integrity of the raw ingredients and food produced in Great Britain. Respondents called for transparent and clearer labelling so consumers can see where their produce is coming from and/or the introduction of labelling that clearly indicates the method of production to empower consumers to make informed choices. Respondents reflected that clearer welfare labelling would then drive consumer behaviour leading to retailers responding, such as has been seen in free range eggs. The role of certification schemes (e.g. organic, Red Tractor) that allow farmers to add value and differentiate their products were also pointed out and the Australian Made, Australian Grown (AMAG) logo was highlighted through responses as best practice.

## **CASE STUDY: Australian Made**

The Australian Made, Australian Grown (AMAG) logo came into effect in 2018 and sets requirements for use of the 'The Standard Mark' on food packaging. It applies to priority foods sold through physical stores and online stores, although it does not apply to food sold for immediate consumption. The standard sets definitions for 'grown in', 'produced in', 'made in' and 'packed in' with specific criteria which products have to meet to use each of these terms. For example, for composite products, the 'made in' definition focusses on manufacturing or processing rather than ingredient origin, however it will also set out the % of the ingredients that come from Australia. For example, it's possible to have "made in Australia from 0% Australian ingredients" to "Made in Australia from 100% Australian ingredients".

The AMAG logo is used on packaging to communicate the location in which a food was: grown in, produced in, made in or packed in, as per the criteria. It includes a bar-chart indicating the proportion of Australian content in the product and a text statement that provides a descriptive explanation for the origin of the product, including 'packed in Australia'. Together, these components are intended to give consumers clearer, more accessible information about whether the product was grown, produced, made or packed in Australia, and the proportion of Australian content in the product.



Current labelling legislation already prohibits raw ingredients that are produced or packaged outside of the UK from being labelled as British. Country-of-origin must be shown on the labelling of many unprocessed foods including beef, veal, lamb, mutton, pork, goat, poultry, honey, wine and fruit and vegetables. Processed foods, such as bacon, and composite foods, such as pies, made in the UK can be labelled as British. However, if they contain a primary ingredient that is not British then a British claim can only be made on the label if the label also highlights that the primary ingredient is not

British. For example, origin labelling for a British Steak & Ale pie made, assembled and baked in the UK with beef from Ireland would need to be, 'Made in the UK using Irish beef'. There are rules on the font size and where that labelling should be displayed but these do not for example require origin information to always be on the front of pack.

In 2011 retailers agreed to a set of voluntary principles on country-of-origin labelling that go further than the legislation, particularly for meat and dairy products and own brand foods. For this they commit to only using UK flags or imagery on products containing meat when the meat is sourced from the UK. This is positive, but we must ensure retailers are meeting their commitments and are applying it in the best way possible. In particular it should include commitments on labelling prominence, extended product scope and bringing in assurance through a requirement for products to be labelled as British to have independent accreditation (Red Tractor, Lion's Mark or Laid in Britain).

The guidance also misses the huge market for our raw ingredients in the out of home sector, where there are no such controls. Currently menus can state they're selling British food, but there's no way of knowing if that's the case.

20

**Recommendation:** Review and update the retailer's voluntary principles on country-of-origin labelling and extend to out of home. In doing so introduce a requirement that use of British branding is underpinned by assurance schemes. Review its effectiveness in 2 years and if found to be ineffective introduce 1) statutory changes on the use of British branding or 2) labelling similar to the Australian made logo.

#### 4.6.4 Supply Chain Fairness

It is widely recognised by those in farming that power imbalances exist in the supply chain, with supermarkets and processors holding disproportionate power both in wider contract negotiations and on pricing. This leaves farmers with little leverage to negotiate fair returns for their goods, undermining their profitability.

#### 4.6.5 Feedback from review respondents

Responses to the review supported the role of the current Groceries Supply Chain Code of Practice (GSCOP) and the Grocery Code Adjudicator (GCA), but some felt their powers and scope could be wider. Some suggested that the GCA's golden rules, which set our guidelines for managing Cost Price Increases (CPIs), should be enshrined in law. Likewise, the current supply chain fairness reviews, the resulting fair dealings regulations and the Agricultural Supply Chain Adjudicator (ASCA) were welcomed by some of the review respondents to ensure there are clear, accessible and enforceable contracts. Some responses praised the impact the current fair dealings regulations have had and recommended they should be extended to all sectors.



Although the roles of both the GCA and ASCA were supported, some respondents expressed concern that they should be adequately resourced and that there should be clarity over how they interact. Some called for them to be regularly reviewed to ensure they are meeting their obligations, have sufficient resources and that collectively they work together and are not leaving gaps through the supply chain.

On **price** while some respondents blame supermarkets for price suppression, others focused more on Government policy, global competition and global commodity markets impacting prices. While some wanted the freedom to follow market prices, accepting this could result in positive or negative outcomes. Others put forward suggestions for minimum pricing models such as guaranteed price mechanisms, 80% of the average cost of production, indexation prices that adjust in line with changes in production costs or Government backed pricing. Others called for greater market intelligence information to enable farmers to negotiate price from a more-informed position.

The review found mixed opinions on whether **minimum prices** should or should not be guaranteed, by whom and on what basis. Equally, minimum pricing doesn't work for the sectors traded on global markets or where sold through auctioneers etc. The review found clear support for regulation of the relationships between farmers/growers and the rest of the supply chain. If done right this should allow prices to be set in a fair way, should farmers/growers wish to do so. Therefore, the focus must be on strengthening, extending and assuring the roles of the GCA and ASCA now and in the future.

#### 4.6.6 The Groceries Supply Code of Practice (GSCOP)

The GSCOP is legally binding and sets out how retailers are expected to fairly manage their relationships with suppliers. It applies to the top 14 retailers which covers at least a 96.6% of the market attributed to the top ten UK retailers by Kantar in 2025. The role of the GCA is to encourage, monitor and enforce compliance with the GSCOP, with funding coming from a levy paid by the retailers. The GSCOP covers a range of areas protecting suppliers from the likes of late payments, arbitrary agreement changes, and uncompensated forecasting errors. The GCA has powers to enforce the GSCOP that range from being an arbiter in disputes to imposing fines up to 1% of annual turnover, where retailers are found to be non-compliant.

In 2022 the GCA published a set of 'Golden Rules' when dealing with cost price increases (CPIs). This was in response to an unprecedented increase in requests for CPIs due to rising inflation. As these are not regulated by the GSCOP these rules are only advisory and not legally binding on retailers. Given the impact input cost fluctuations have on profit margins, the ability for suppliers to negotiate CPIs is fundamental to farming profitability and should be part of the legally binding GSCOP.

Although the GSCOP and GCA play an important part in regulating relationships with retailers, they are both limited in scope to the top 14 retailers. This misses some of the raw ingredients that go into the out-of-home market and those retailers with a smaller turnover. It also misses the relationships between farmers and the larger suppliers and intermediaries. Therefore, the review is recommending that **the scope of the GSCOP and GCA must be extended to also capture those markets and the GCA resourced to carry out those functions.**

#### 4.6.7 Fair dealings regulations

Following consultations on unfair practices the Government has introduced fair dealings regulations for the milk and pig sector. Fair dealings reviews are now underway for the eggs and fresh produce sectors and have been announced for the combinable crops sector. Any future fair dealings regulations will depend on the outcome of these reviews.

Sugar is unlike any other agricultural sector. Following its nationalisation in 1936 and then subsequent sale of the Government's stake, British Sugar is now the only buyer in the sector and acts as a monopsony. Its relationship and contractual dealings with our sugar beet growers is governed by controls originating in the EU's Common organisation of agricultural markets (CMO) legislation and now rolled into UK law, which includes how prices are negotiated. Some responses to the review pointed out the need for this legislation to be reviewed to ensure the way these contracts are negotiated is done in a fair way and that the dominant market position of British Sugar is not abused. Although already governed by the historic CMO legislation there is no reason that sugar should not be encompassed in the suite of fair dealing reviews.

**In horticulture there are specific challenges.** Their production cycles can often have long lead in times, such as establishing orchards that require up-front investment with no guarantee of return. The seasonal, weather dependent and perishable nature of horticultural products also mean they are often traded on short-term agreements. This pushes more risk on to horticultural growers. How this disproportionate risk is mitigated against to protect growers, should be considered in the current fresh produce fair dealing review.

Richard Thompson became Agricultural Supply Chain Adjudicator (ASCA) in 2024. It is his role to enforce the fair dealings regulations, as they are introduced and to provide a route for farmers to challenge unfair practices related to contracts. Unlike the GCA, which is a statutory office sponsored by the Department for Business and Trade (DBT), the ASCA is a Civil Servant sitting within Defra. Although they have different remits there is much that could be learned through greater information sharing between the two, such as the pressure facing farmers that are in turn putting pressure on supply chains and market dynamics. This information sharing and joint working would be enforced **if the GSCOP and GCA was sponsored by Defra rather than DBT.**

21

**Recommendation:** Government to ensure an effective and joined up approach to regulating unfair practices in the supply chain by:

- Extending the Groceries Supply Code of Practice (GSCOP), and therefore the remit of the Grocery Code Adjudicator (GCA), to out of home as the second largest market for British raw ingredients.
- Enshrine the GCA's Golden Rules in law.
- Extend the GSCOP to intermediaries and reduce threshold from £1 billion to all businesses purchasing over £500 million
- Continue the Supply Chain Fairness reviews and extend fair dealing regulations to all sectors, including sugar.
- Bring the GSCOP and the GCA under the Defra umbrella to strengthen links to the Agricultural Supply Chain Adjudicator (ASCA) and in doing so ensure the ASCA and GCA are adequately resourced to carry out their functions.

#### 4.6.8 Access to enhanced market data

Key to farming profitability is **the ability for farmers to manage their input costs and negotiate a fair price for their products**. To do this they must be able to access and understand market data and flows through the supply chain. Market monitoring is, therefore, needed to forecast demand, track trends and provide transparency for farmers on a range of input and output metrics including fertiliser and grain imports and exports.

The UK Agricultural Market Monitoring Group (UKAMMG) has met monthly since 2021 and reviews and analyses market information from a range of sources including Government and industry. It covers a range of metrics including production volumes, prices and import and export data for cereals, other arable crops (including sugar), sheep meat, beef, pig meat, poultry meat, eggs, milk, milk products and fruit and vegetables. Although UKAMMG collects valuable data, some of which is published, the entirety of the information is not readily and easily available to farmers and growers. Equally, it misses some data including prices through the supply chain and to the end consumer.

For farmers and growers to be in the best negotiating position possible there needs to be a more complete data set, drawing in all the data held by Government and industry (such as AHDB) and it needs to be provided in a way that farmers and growers can understand and use. A new market monitoring function should be established to bring together all available data included that collected by the UKAMMG, AHDB data and trade data from His Majesty's Revenue and Customs (HMRC). Where data is lacking the broad powers in Part 3, Chapter 1 of the Agriculture Act 2020 should be used to require that data from the supply chain is provided to the new market monitoring function.

**It's not just about having access to the information but also supporting farmers and growers to use it.** The benefit of the 'FARM' industry-Government partnership model is that it joins the pieces together and provides a direct route to farmers through the '**Sustainable FARM Service**' and '**Agri-Growth Hubs**'. Helping farmers and

growers develop the skills to use the information in an informed way should be a longer-term action of the Sustainable FARM Service and Agri-Growth Hubs.

22

**Recommendation:** Government should work with AHDB/NFU to establish an enhanced market monitoring function to bring together and collect industry and Government data on prices across the supply chain. This should include data on farm gate, retail prices, prices through the supply chain, core input prices (including fertiliser) and HMRC data on trade flows, where necessary using powers set out in the Agriculture Act 2020. The Sustainable FARM Service and Agri Growth hubs should get that information to farmers/growers and support them in using it to their advantage. This data will also be used to create the Great FARM Board's balanced scorecard to track progress against growing market share.

## 4.7 Food and Drink England

### **CASE STUDY: Lyburn Cheese**

Lyburn Cheese started making cheese in 1999 and today supply their handmade cheeses to local and national stockists, including several major cruise lines. Based in the New Forest, the company benefits from its proximity to Southampton, the port from which multiple cruise ships set sail. Through their partnership with Cavendish Ships Stores, Lyburn Cheese has been supplying cruise ships on a 1-week lead time for 15 years, which has seen a significant increase in its revenue. The cruise lines appreciate the opportunity to serve UK cheeses, particularly from the locality of the port, with Lyburn Cheese also acting as an intermediary to supply Isle of Wight Cheese products.

### **CASE STUDY: Downland Traditional Meats**

Downland Traditional Meats (DTM) in West Sussex is a small abattoir currently processing approximately 65 cattle, 400 sheep and 200 pigs per week. Around 3000 farming businesses are now reliant on this facility for private slaughter, or a route to market for their fat animals. The abattoir is receiving a high level of demand from farmers who need its services to support their business model, but the facility is struggling without the capital to invest and with aging equipment and is therefore turning down hundreds of requests from customers. Revenue costs have spiralled to deal with wastewater, animal by-product (ABP) collection and regulatory burdens, and access to capital for equipment and facility upgrades is not feasible (for example, they could not access the recent Government Smaller Abattoir Fund due to lacking the match funding). This has had a significant toll on the small workforce who have undertaken a very physical job each day with little respite and no clear financial reward. DTM Abattoir faces many of the challenges faced by the wider small abattoir sector from outdated equipment, regulatory burden and increased costs.

There is now a multi-stakeholder group forming around this abattoir led by the relevant Local Authorities – Horsham District Council and Surrey County Council, the Surrey National Landscapes Board, local farmers and the Surrey NFU – to look at how they keep it going. Money has been found to support it in the short term and help with equipment upgrades, and wider consideration is ongoing around its location (it is currently on rented land wanted for development long-term) and developing a business plan to ensure its sustainability. This group is looking to deliver funding from the Farming in Protected Landscapes programme (FiPL) for example as the abattoir plays a role in its vision for the future landscapes and regenerative farming.

### **CASE STUDY: Nutrient Density**

There is a growing health crisis in the UK which is putting strain on both individuals and the NHS. Quality nutrition has significant impact on our health, but there are concerns that the nutrient density of our food is declining. By understanding how specific farming practices can produce more nutritious food and incentivising farmers to do so, farming could play a vital role in improving public health.

Dr Hannah Fraser's report demonstrates examples of farming methods that have evidenced links to nutrient density: improving soil health through regenerative farming practices could produce more nutrient-rich and microbial-dense food. These practices can have additional environmental benefits such as increasing carbon sequestration and improving biodiversity. Rewarding farmers for adopting these practices could see benefits for nutrient quality, farming profitability, and the environment.

Nutritional value could also be improved by prioritising crop varieties that better absorb and retain nutrients and employing biofortification to enhance crops. Animal products are directly affected by animal feed, and livestock diet optimisation could enhance the nutrient density of meat, dairy and eggs.

Dr Fraser's report points to incentives that could promote these practices. Market demand plays a powerful role in food production. If market demand increases for nutrient dense products, farmers can benefit from applying a price premium. Highlighting the nutrient density of food products to consumers through handheld nutrient scanners and predictive data models could generate demand for nutritionally superior products. Developing farmer-to-consumer relationships builds trust and enables opportunities for education through farm tours and open days, which could influence consumer choices. Additionally, biofortified foods can appeal to consumers looking to improve their nutrient intake.

Bleu-Blanc-Cœur is a French certification system which is a successful example of rewarding farmers for practices that produce nutrient dense foods. Farmers who provide a diet rich in omega-3 to their animals can label their products with the Bleu-Blanc-Cœur logo. Consumers can then easily identify these products as being naturally enriched with omega-3. Bleu-Blanc-Cœur works with researchers and health professionals to measure the benefits of omega-3-enriched foods and shares this with consumers. The resulting demand for its certified products has allowed the 7,000 farmers Bleu-Blanc-Cœur works with to earn a price premium.

**Source:** *Displacing Empty Calories with Nutrient Dense Food: How can UK farmers be rewarded for practices that promote nutrient density?* Dr Hannah Fraser



### CASE STUDY: Provision Trade Federation

The Provision Trade Federation (PTF) is a UK-wide trade association representing processing, manufacturing, and trading companies involved in the dairy, pig, and fish sectors.

PTF identified that farmers often lack the expertise and resource to diversify, but that farmers who have done so benefit from alternative business activities as they offset market volatility. Creating brands that connect consumers with farmers can be a successful diversification route, as shown through brands such as Tyrrells which highlights farmer suppliers through its packaging and marketing.

Jonny Crickmore, chair of the Specialist Cheesemakers Association (SCA) which represents the UK artisan cheesemakers and the wider artisan cheese sector, and for which PTF provides the secretariat, says: “One of the most effective ways to support farming profitability in the UK — particularly for smaller, family-run farms — is by helping farmers diversify into creating their own branded food and drink products using ingredients they grow themselves.”

“France’s Comté cheese AOP [Appellation d’Origine Protégée] is a brilliant example of what can happen when you align place, people, and a great product. The result is not just a thriving rural economy, but a food culture rooted in quality and authenticity throughout France but now across the globe.

“From what I have seen first-hand, many small farms have stayed in business — and even flourished — because they diversified and developed a product of genuinely higher quality than the mass market offers. Not only does this create a more resilient business model, but it also sparks consumer interest in where food comes from. It helps reconnect people with healthy, real food and gives them a reason to value local.”

PTF and SCA suggest that collaboration between farmers, processors, and retailers to support and deliver more farm-branded products could provide lucrative sources of further profit for farmers. Farmers looking to diversify by creating their own food and drink brand would benefit from targeted financial, technical and educational support.

Brand development could focus on locality, with products representing the flavour and integrity of a particular region. Regional hubs could consolidate distribution and sale of these products to local independent retailers to grow sales.

#### 4.7.1 Benefits of buying locally for farm profitability

Responses to the review highlight the benefits for profitability of **buying and selling more locally, from cutting transport costs and maximising the value returned to farmers in a shorter supply chain**. Responses highlighted that shorter supply chains are less exposed to global shocks. They also suggested that Government should play a role in developing the market for locally produced food, recognising the need for

greater public awareness of the benefit of buying and eating British food. It is my view that to truly unlock the benefits of local and regional supply chains, Government and industry should take a much wider look at food culture in the UK and work in a much more targeted and joined-up way to champion British food at every level. **At the England level there is a noticeable gap in governance and policy coherence that Defra needs to plug to maximise the opportunities in this space.**

#### 4.7.2 More opportunities for sellers brings greater resilience

Professor Tim Lang's 2025 report to the National Preparedness Commission<sup>3</sup>, highlighted the UK supply chains vulnerability to disruption due to its reliance on 'just-in-time' logistics. In other words, **our current model of food production, processing and distribution is highly centralised**. This not only contributes to farmers having low leverage in the supply chain but also exposes our supply to global shocks. Increasing the direct supply of food from farms and local producers into retail, out of home, public procurement, shortens supply chains, making them more flexible and resilient to external factors such as global prices, cyber-attacks and ever more extreme weather. For farming profitability, a value chain where the farmer has a direct relationship with the end consumer, removes intermediaries. Achieving healthier, more diverse and locally produced food is beneficial for farmers and consumers.

#### 4.7.3 Championing English Food

Unlike the other nations that make up the United Kingdom, **England has no national food identity**. We market our products as British and whilst there may be some recognition of regional products (Cornish pasties, Melton Mowbray pork pies etc.) this does not fairly represent the thousands of high-quality products that fuel England's rich regional food and drink culture, internationally renowned food and drink tourism, and huge variety of artisanal producers. A Protected Geographical Indication (PGI) or a Protected Designation of Origin (PDO) which indicates quality can help foods and drinks to command a price premium and give better access to markets at home and abroad.

#### 4.7.4 Eating locally produced, high-quality food should benefit everyone

**Having a rich food culture means more than just more high-end options to sell domestically and abroad**, it also means having more locally grown food (particularly whole foods) being consumed by everyone in society. **Defra's Food Strategy** clearly outlines that Government should be aiming to deliver an improved food environment that supports healthier and more environmentally sustainable food sales. This can and should be achieved through increasing access to local and seasonally produced food. Achieving this goal must be done in partnership with industry, although Government has some specific roles it must play.

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<sup>3</sup> <https://nationalpreparednesscommission.uk/publications/just-in-case-7-steps-to-narrow-the-uk-civil-food-resilience-gap/>

### 4.7.5 Public Procurement

Central Government has significant influence over public procurement rules, even if they are set at a local level. Significant barriers make it challenging for farmers and small and medium-sized enterprises (SMEs) to sell effectively into large public procurement contracts. These can include the cost and complexity of preparing bids, and difficulty meeting the volumes that need to be supplied by the providers selected. SMEs could benefit from dynamic procurement with simplified processes and more frequent opportunities to bid for smaller contracts.

Prioritising domestic sourcing with public procurement, Government can directly support sales of locally produced food. The Government Buying Standards for Food and Catering Services (GBSF) currently covers 27% of publicly procured food but does not cover education, residential and local authority procurement. It has not been substantially updated since 2014 despite calls from the Environment, Food and Rural Affairs (EFRA) Committee among others.

### 4.7.6 Supply chain readiness

**To allow food to flow more directly from farms to local consumers an enhanced network of local processing, packing and distribution is needed.** Defra, the Food Standards Agency (FSA), and Ministry of Housing, Communities and Local Government (MHCLG) have a key role to play in supporting this network and removing barriers to businesses. For example, **the loss of small and medium abattoirs nationally** has led to a huge centralisation of meat processing. To allow farmers to sell more into wider markets, this local network must be revived. Creating an environment that supports innovative food businesses to thrive is key to building the infrastructure and network required to deliver Government's ambitions for profitability and beyond.

### 4.7.7 Government is poorly joined up to deliver a strategic vision for the food system

As already highlighted, Defra has a huge role to play in realising the potential of England's food system at a local and regional level. Work is ongoing across UK Government to promote British food, exemplified by the Devolved Authorities, but also in the DBT and Defra. This work is, however, highly fragmented and siloed, and at the England-level it is largely focused on exports. Defra officials have highlighted limited opportunity to influence local Government policy for food, and there is low confidence that the department is set up to use ensure existing funding is used effectively, and that barriers created by planning and regulation are properly assessed. **Across Whitehall, there is an opportunity to bring this existing work together and work more broadly across Government** to link up with additional opportunities for tourism, economic growth and above all the associated health benefits to everyone.

**23** Recommendation: Government should update the Buying Standards for Food and Catering Services to cover all sectors and to set consistent standards that prioritise British provenance and embed dynamic procurement principles to make it easier and fairer for smaller, more local suppliers to access, and introduce mandatory data collection and reporting to ensure transparency and accountability.

**24** Recommendation: Defra should establish Food and Drink England within the existing food strategy board to mirror the equivalent bodies in Scotland, Wales and Northern Ireland to establish closer relationships with farmers and local government linked to health, economic growth and food tourism. Food and Drink England should champion English food producers, develop our national food culture and unlock regulatory barriers. It should do this by:

1. Ensuring alignment with the Food Strategy priorities and restoring English whole foods as the foundation of our national diet as an intrinsic metric in the 10yr Food Strategy.
2. Encouraging seasonality, healthy diets, nutrient density and reduced food miles.
3. Running consumer-focused campaigns to champion premium English products.
4. Encouraging local farmer food champions.
5. Closing the gap between farmers and local communities and putting food at the heart of local communities.
6. Enabling local sustainable brands and effective use of geographical indications.
7. Catalysing the work of economic growth hubs and tourism linked to a local food culture.
8. Unlocking barriers to increase growth in local economies e.g. small abattoirs, local processing and jobs.
9. Enabling development of innovative locally focused businesses to decentralise food processing and support dynamic local and regional supply chains.
10. Supporting our national food distribution in line with Professor Tim Lang's work by increasing local food resilience against threats including cyber-attacks.
11. Supporting English food producers to access new markets from local to international in line with GB FARM Board strategy.
12. Building relationships on public procurement at a local level.

## 4.8 Sustainable FARM Service

### **CASE STUDY: Teagasc**

Teagasc, the Agriculture and Food Development Authority, is Ireland's national body for research, advice, and training for the agriculture and food industry and rural communities. Formed through the amalgamation of a research institute and advisory and education body 40 years ago, it operates under Ireland's Department of Agriculture, Food and the Marine (DAFM). It is governed by a board of 11 members, including 4 nominated by farm organisations, ensuring farmer representation in strategic decisions.

Approximately 60% of its funding for operations comes directly from government in a voted grant. The Irish Government provides funding because it recognises the vital role of Teagasc. It addresses public goods like health and safety, the environment, and animal husbandry, which risk market failure without its intervention.

The remaining 40% of Teagasc's operational funding is raised through its own activities, including national and EU research income. Its research has had significant impacts on the Irish economy, with technological innovation particularly benefitting agricultural producers and consumers.

It also sources funding through its paid-for services to farmers and the food industry. Around 44,000 farmers have a contract with Teagasc's advisory service, paying an annual fee scaled to farm size and the level of farming activity. This provides access to 1:1 advice, scheme application support, and telephone consultations and social support. Farmers can avail of a technology package that includes discussion groups for peer learning for an additional fee.

Teagasc is committed to making farming more profitable and sustainable for all. Its website does not have paywalls, and it runs 500+ largely free events each year to ensure everyone has access to information and advice.

## **CASE STUDY: HortLINK**

HortLINK was established by Defra to support innovation in the horticultural sector through research and development funding. The programme provided match-funding to projects focusing on practical, near-market outcomes for horticulture. It encouraged partnerships between growers and research institutions to address industry challenges.

“The chief merit of HortLink was it allowed great partnerships to develop between growers and academic partners, in the precompetitive space, where the most existential threats to soft fruit production arose. Examples of these threats included the arrival of alien pests and diseases specifically harmful to berries. With the loss of chemical actives, novel IPM controls were able to be developed and approved.”

*Marion Regan (Hugh Lowe Farms and Member of Berry Gardens Growers), who served as the industry project chair/co-ordinator on several HortLINK Projects.*

“From a researcher’s perspective the HortLINK scheme was a very successful way of working closely with industry to address a clear industry problem or challenge. The projects that I was involved in/led required a good amount of detailed scientific research which was undertaken by the science partners, but this was in close collaboration with industry partners at every step and generally used industry resources. A good example was the SCEPTRE [Sustainable Crop & Environment Protection – Targeted Research for Edibles] project which researched sustainable plant protection products for use in horticulture. The aim was to deliver applied research on high priority disease, pest and weed problems in fresh produce to support the approval of products and develop integrated pest management programmes.

*Professor Rosemary Collier (University of Warwick), researcher on several HortLINK projects.*

“The HortLINK Programme was managed by a Project Management Committee that was an eclectic mix of highly respected academics and industry members. Every project was carefully and sensitively scrutinised from initial application to publication of final reports, to ensure they delivered cost-effective and relevant pre-competitive research that would generate benefit to the horticultural sector.”

*Martin Emmett (Farplants Group and former Lecturer at Reading University), member of the HortLINK Project Management Committee for 12 years.*



## **CASE STUDY: TIAH and a 'Green Cert' equivalent**

### **The Institute for Agriculture and Horticulture (TIAH)**

It has been well-established that farmers who engage in training, professional development or peer-to-peer learning tend to run more productive and profitable farms (e.g., The Impact of Education on Farm Performance: Rural Business Research, 2017). The Institute for Agriculture and Horticulture (TIAH) aims to be the UK's central source of information for training, CPD, and skills frameworks. Its goal is to build capacity and capability in the workforce to help farmers and growers increase productivity and profitability. TIAH's Education and Training Committee is developing a system to recognise professional standards through academic and experiential qualifications, supporting career progression from entry to retirement. TIAH's capability framework will benchmark skills, behaviours and knowledge, with the aim of having accredited membership categories from student to chartered status, delivered through a national network of training providers. TIAH recognise a specific opportunity in targeting under-35s, which could attract talent to the sector through existing people and new entrants.

### **A 'Green Cert' equivalent**

The Green Cert in Ireland is an agricultural qualification aimed at young and new farmers, those inheriting or managing farms, and those seeking access to grants. It confers 'qualified farmer' status which entitles the recipient to realise financial and business benefits.

The Green Cert requires completion of modules, or proof of equivalent skills, in practical farming, farm business management, production, and sustainability. It ensures Green Cert learners are aware of current rules and regulations which increases compliance and best practice. Supported by Teagasc, the Green Cert is delivered flexibly through Ireland's network of rural colleges and learning centres on both a part-time and full-time basis and leads to Level 5 or 6 qualifications, unlocking access to grants and tax reliefs.

There is no equivalent scheme in England, in part due to the absence of a centralised agricultural education and advisory body. TIAH, as hub for training and skills development, could facilitate a pilot Green Cert-style scheme in England in collaboration with Defra.

The pilot scheme could be launched in select areas on a tiered training model, with a combination of online modules, practical courses, and advanced qualifications, with benefits like grant access, uplifted payments, and stamp duty discounts. The success of the scheme would rely on ensuring benefits are attached to individuals, rather than the land. It should partner with landowners and agribusinesses to generate opportunities.

TIAH could manage certification and CPD via an online platform, with evaluation after 2-3 years. If successful, the scheme could be scaled nationally to boost skills, improve sustainability, encourage new entrants into farming, and increase productivity and profitability.

**Source:** *Professionalisation as a route to improving the productivity and profitability of farming in the UK*, compiled by Lord Curry of Kirkharle and Amy Jackson

### **CASE STUDY: The TB Advisory Service**

The TB Advisory Service (TBAS) is a government-funded project providing free advice to farmers in England to help reduce the risk and impact of bovine tuberculosis (bTB).

The project is delivered by Farmcare Solutions which is a joint venture between VetPartners, Obligace, Independent Vetcare, and UK Farmcare, encompassing over 150 veterinary practices across England. The strength of this collaboration has created a nationwide network of advisers.

Farmers can access advice through telephone calls or on-farm visits. As the project is funded by Defra, the service is free for farmers to access. The initial visit involves a farm walk with the TBAS adviser, after which the adviser and farmer decide on 4 bespoke biosecurity recommendations to improve resilience or reduce risk. A follow-up visit is conducted 3-6 months later to assess progress against the recommendations.

Since delivery began in 2021, TBAS has hosted 40 adviser training sessions, producing 477 trained advisers across 48 counties in England. These advisers have delivered 2,825 initial visits and 2,478 follow-up visits. Feedback from farmers who have used the service is positive, with 98% of survey respondents stating the recommendations from the farm visit were useful. Farmers appreciate that many of the recommendations are cheap, practical, and easy-to-implement. Farm vets value the chance to support farmers, providing a positive opportunity for the veterinary profession which is suffering from retention issues and poor mental health.

TBAS also has a Technical Board which brings together industry experts to share knowledge and expertise. This ensures current research and scientific advancement in the field informs the project's development. TBAS has become a trusted brand to deliver independent evidence-based bTB information at the point of need.

The project benefits from its model of being funded by government and delivered by industry. Existing experts in the sector are upskilled to provide the service, and there is no financial barrier to access for farmers. The government recognises that bTB is a difficult animal health challenge which has a significant impact on farmers and is costly to the country. Investing in TBAS helps to reduce the risk and impact of TB infection on farms and facilitates practical action from farmers.

TBAS is funded through a finite commercial contract which initially ran for 3 years. Following the success of the project, the funding has been granted 2 funding extensions, each for an additional year. Whilst the funding facilitates the continued delivery of TBAS, this short-term funding model creates uncertainty and limits the added value work that could be done. A commitment to longer-term funding of TBAS would facilitate investment in resources, including technology and people, to ensure farmers can benefit for many years to come.

### CASE STUDY: Scottish Agricultural Organisation Society

Scottish Agricultural Organisation Society (SAOS) is a federal agriculture co-operative owned by 60 agriculture co-op members operating throughout Scotland and into England. Its purpose is to promote, support and develop co-operation within agriculture to maximise the economic, environmental and social benefits of working together.

Its members operate across meat, dairy, arable, fruit and vegetable sectors, and have a collective annual turnover of £1.5 billion.

SAOS works closely with its members to maximise the commercial advantages of co-operation. This includes securing improved terms with existing customers, access to new markets, and cost efficiencies from the pooled purchasing of inputs and utilisation of machinery and labour.

SAOS provides specialist business strategy and marketing support, governance advice and training, as well as access to project management, training and business development resources for its membership. SAOS's wider network allows its member co-ops to benefit from introduction to research and development partners to enable trialling and adoption of agri-tech and innovation. Access to these resources enables agricultural co-ops to benefit from a more resilient business model and a means to seek an increased share of the retail price of products they supply.

The scale and footprint provided by SAOS's co-operative members enables SAOS to be a strategic development partner to the wider agricultural sector through the Scotland Food & Drink Partnership. This provides agricultural stakeholders and Government with access to specialist agricultural supply chain knowledge, helping provide a greater understanding of supply chain security risks, agri-food brand development opportunities and identification of new market-orientated business prospects.

#### 4.8.1 Feedback from review respondents

Among responses to the review, there was a consistent view that the profitability of farms is affected by issues with **skills, knowledge transfer and business management**. The importance of focusing on skills was a common theme across all farming sectors and a range of respondent types including trade bodies. Barriers commonly identified were a lack of relevant training available for farmers, inadequate collection or use of data, and research not being translated into usable knowledge on-farm. Some respondents asserted that agricultural education and training are under-prioritised in policy and funding, leading to a shortage of skilled and semi-skilled workers. Others saw a bigger shortfall in business skills, with farmers lacking training in efficiency, productivity, financial literacy, strategic planning and lean management. Solutions identified included increasing learning and support offerings, improving digital literacy, data usage, and making farms more 'business-like' with better performance management. Many responses also called for a single source of advice.

Among respondents there was real **excitement about the technological and scientific developments in UK agriculture**, particularly around precision breeding. But there was concern that too much funding was being directed at universities and on research that is not aligned to business needs or does not have practical application on-farm, which holds back growth. There is a widespread concern that outcomes and recommendations from research are not passed down to farmers in a useful and meaningful way, and that funding and research for innovation and technology is geared towards the larger tech-savvy businesses with a back-office of staff to support them, leaving smaller businesses behind. **Lack of digital skills and knowledge is an issue**, some responses remarked that farmers are sometimes unaware of the capabilities of some of the technology they already have and how the data can be used to improve their businesses.

Among respondents there was a strong feeling that **improved data provisions are needed to help farmers and growers plan more effectively and streamline admin.** Some respondents felt a knowledge gap and lack of digital skills prevents effective interpretation and use of available data. Some believe data is collected but is not transformed into actionable insights for industry. Others felt there was insufficient understanding of capabilities of technologies already in place, and that some farmers do not understand how adopting different practices could benefit their business. Respondents asserted that technology and data are central to the future of farm finance, and advocated for real-time benchmarking tools, climate risk forecasting, and digital platforms that empower farmers to make informed decisions.

A few submissions from trade bodies and consultants raised **the absence of effective succession planning across farming businesses**. Respondents stated that succession planning is often poorly managed, with younger generations left uncertain. Some individual responses also mentioned family-level succession struggles and generational tensions. This was raised from different perspectives, with some respondents noting struggles with finding a farm successor, others noting difficulties of inheriting the family farm from ageing parents, and one suggesting “bed blocking” by the older generation is preventing openings for the next generation. **Respondents suggested succession planning should be included in structured education in business fundamentals.**

Several respondents highlighted **challenges with the way grant schemes operate and their requirements**. Grants were viewed as fragmented and complex and were described as insufficient, failing to cover the full costs of necessary infrastructure upgrades or environmental transitions. There was frustration that existing schemes often exclude those most in need due to upfront costs and the administrative burden of applying for them. Many respondents criticised the short application windows and limited certainty about which grants would be available and when. They suggested that better guidance and longer timelines would enable better access to the schemes.

More generally, many respondents felt **there is insufficient collaboration with industry**, that farmers and growers should be involved in the development of new policies, and that policies should focus on outcomes rather than on actions.

#### 4.8.2 The current landscape

At present, **farmers face a complex landscape of technical advice and support**. Government advisory services include the Defra-funded Farming Advice Service (FAS) and Catchment Sensitive Farming (CSF). The Agriculture and Horticulture Development Board (AHDB) provides research, market development, market intelligence, and knowledge exchange for the farming sectors and primary processors from which it collects a levy: Cereals & Oilseeds, Dairy, Beef and Lamb, and Pork. The Institute for Agriculture and Horticulture (TIAH) is responsible for supporting continuous professional development of farmers and growers, upskilling new entrants to the industry, and developing career pathways. The UK Agri-Tech Centre (ATC) drives science, innovation, and the adoption of technology solutions. There is an additional plethora of advice from non-Governmental organisations, sector bodies, assurance schemes, educational institutions, research institutes, consultants and business advisers, and the supply chain. In Farming Profitability Review, engagements with industry, farmers have reported finding it hard to find advice and to access application processes for grant funding. **They have also found advice to be expensive, and this has often been a blocker to accessing schemes or grant funding.**

#### 4.8.3 Vision for change

The evidence and feedback I have gathered during this review make it clear that we need to introduce **a single centre for advice, skills, and farming's engagement with research and innovation** – the '**Sustainable FARM Service**'. The aim would be to consolidate the duplication that exists across AHDB, TIAH, UK Agri-Tech Centre and sectoral expertise in Defra's Farming and Countryside Programme. They should be supported by Chief Scientific Advisers (CSAs) in Defra and other Government departments to improve cross-Government working and access to expert advice in relevant public bodies' agencies.

The aim would be to **create a 'one-stop-shop' dashboard for business advice, schemes, grants, knowledge exchange and support**. The service would provide a user-friendly interface for farmers to access, giving farmers a single portal to engage with farming schemes, access grant applications, knowledge exchange, succession planning, skills, continuous professional development all in one place. In science, the service would feed into decisions on priority research needs, conduct research in high-priority areas, convene knowledge transfer between academic researchers and between researchers and users, translate research into usable advice, and oversee the innovation pipeline from lab to field. The objective is to improve farming profitability by making it quicker and easier for farmers to access advice and technical support that is relevant to their farms and businesses. This is a substantial organisational

change and will take time to get right. It will be crucially important that all sectors of farming and horticulture have the opportunity to co-design this new service to ensure it provides the needed improvements in research, skills and technical training, and usable business-relevant advice.

25

**Recommendation:** Defra should work with AHDB, TIAH, UK Agri-Tech Centre and Defra Chief Scientific Advisor, plus sectoral expertise with a view to developing a more consolidated and simplified system that provides comparable or better benefit compared to the technical advice platform in Ireland:

- As a first step, Defra should establish a working group with industry tasked with consolidating the output and outreach from AHDB, TIAH and UK Agri-Tech Centre and sectoral expertise in Defra with a view to getting research prioritisation and translation, farm advice, skills into one place. The working group must consult industry, interrogate similar models in other countries, design an outcomes-focused model, and set out a pathway for change that fulfils all sector requirements. It should include making recommendations on governance, funding and geographical scope.
- It will be for Industry/Government to decide at the end of 2 years whether this should become a formal centre for research, innovation, advice, and training. I see many benefits in achieving this. It will be a true test of whether the approach to achieve partnership has been successful.
- The industry offer should examine the partnership and Research and Development (R&D) translation model demonstrated by Teagasc, the Agriculture and Food Development Authority, in Ireland with the aim of developing a clear offer for collaboration on implementing new understanding to achieve agreed outcomes.
- Develop strategic plans to achieve sector objectives and to improve the use of data to inform decision making and establish how the market monitoring service can be coordinated to give farmers and growers up-to-date and real-time information.
- With Defra CSA and research funding leaders (see Recommendations below), develop priorities and pipelines for farming commercial research and to improve join-up with research and innovation.
- Work with regional Agri-Growth Hubs to deliver support to farmers in every region.
- Engage throughout with farmers and growers, developing the strategic partnership approach for the farming roadmap.
- Develop a new online portal as a one-stop-shop for farmers to access advice, support and scheme applications through one dashboard, even where content is hosted by different organisations.



26

**Recommendation:** Defra Chief Scientific Advisor should work with BBSRC and Innovate UK on a co-ordinated approach for a goal-orientated, scaled Commercial Research bids. A suggested priority for initial targeting is SOILSHOT – focusing on a suite of R&D around new green fertiliser products from phosphates, ammonia in poultry, livestock, and sewage sludge. These programmes should aim to achieve significant private sector funding and to keep both talent and new commercial opportunities in the UK.

27

**Recommendation:** Defra CSA and Industry should collaborate on developing a system for regularly discussing and agreeing priority areas for Commercial Research bids on a sector and sub-sector basis. These should ensure inclusion of underrepresented industries.

## 4.9 People and farming

The evidence in the State of the Nation ([Section 3](#)) points to, cashflow, lack of certainty and understanding of Defra schemes, changes to inheritance tax, all impacting on farmer confidence and mental health and wellbeing. Most worrying of all is the rise in on-farm accidents and deaths. Farming is often stressful, isolated and lonely, with some farmers struggling to stay healthy (see [Annex 7.4](#)). **But the overriding feedback from responses to the review has been one of hope and optimism.** I was particularly struck by a farmer who said, I don't want to be perceived as "just a farmer".

### 4.9.1 Farmers and growers need to be involved in developing policy

I have seen firsthand how demonstration farms and farm walks promote peer-to-peer learning, knowledge exchange and the huge value of bringing people together in a social environment in the field. Over the review I met with AHDB sector groups, Trade Associations like National Farmers Union (NFU), Country Land and Business Association (CLA), the Tenant Farmers Association (TFA). The Farmers Jury, Farmer Cluster Groups, Farm Environmental Delivery Groups and Non-Governmental Organisations (NGOs) the Game and Wildlife Conservation Trust (GWCT) and the Green Alliance. They, and many more besides, were all able to **facilitate farmer-led discussions which have informed my recommendations.**

In many cases these organisations are backed by a professional team of staff, and this is replicated across the network of farming charities. As recently appointed Honorary President of the Farming Community Network (FCN) I've seen the lifeline that these charities provide, in FCN's own words 'farmers are not alone'. In all there is a wealth of expertise in farming and rural areas. I hope the recommendations in this review will help coordinate and unite our industry.

Unlike other sectors, there seems to be an expectation that farmers will give up their time for no remuneration. Despite this, there are countless examples of farmers giving up huge amounts of time and expertise for the benefit of others and the local community, delivering benefit to many people, including Government and therefore taxpayers and society. I don't think this is right or sustainable. In line with other sectors of our economy, we should look to reimburse the many more farmer leaders that are needed to build relationships at a local, regional and national level, for the time and expertise that they give to be away from their farm businesses.

## 4.10 People: health, skills, collaboration and education

**Fit-for-purpose continuous professional development for farmers was a core barrier to profitability.** More than half of the written responses to the review acknowledged there are significant skills gaps in the sector. AHDB data suggests 48% of farm managers in England under 35 have training (Holland: 84%, France 77%, Germany 64%). I was told farmers needed:

- **Core digital skills** to access existing skills, guidance and research and translate data they are already collecting into productivity or profitability gains.
- **Business management advice relevant to their farm**, delivered 'kitchen table' style by trusted facilitators.

Farmers were clear that **personal development is best delivered in a peer-to-peer environment through discussion groups and farm walks.**

### 4.10.1 A National Curriculum that builds a thriving food and farming sector:

It is hard to put into words how important it is to drive a real step-change in Government's approach to education and skills in primary and secondary schools and tertiary education. **If we are to provide a much-needed pathway for careers in food and farming**, from the farmers of the future to agronomists, dairy herdsman and women, soil scientists, food nutritionists.

But equally for the sake of our children's health, learning about food and how it's produced would provide every child with the best start in life. Only by valuing what we eat will we end our reputation for wasting more food than any other country in Europe. The joy of learning to cook for every child should be as fundamental within our national curriculum as Maths and English. Equally every child from early years education onwards should have access to nature, the research is clear that if a child doesn't experience nature at a young age, they will never value it. Finland and Japan are both examples of the correlation between a healthy diet and happiness.

### **CASE STUDY: Joanne Holmes – nutrition and curriculum**

A report by registered nutritionists Dr Joanne Holmes and Dr Sarah Hillier provides recommendations to address the impact of poor diet and nutrition on rising obesity and non-communicable diseases in the UK, which costs the government £18 billion annually. The report highlights that farmers and farm workers are disproportionately affected due to a range of systemic and lifestyle barriers. These include:

- Cost of and availability of healthy foods
- Limited access and time for healthy lifestyle choices
- Poor mental health
- Marketing and positioning of foods

One of the report's key recommendations is to implement a comprehensive food, nutrition, and cooking skills curriculum across all educational levels, including higher and further education. This would aim to rebuild lost food preparation skills and improve dietary choices, especially among younger generations.

Additionally, the report recommends targeted support for farmers through healthy eating and wellbeing interventions designed and delivered by qualified registered nutritionists and trained public health professionals. These should be delivered through trusted rural and farming networks such as Young Farmers Clubs, the Farming Community Network and local community groups, to ensure engagement and promote social interaction.

**Source:** *Nutrition and diet of the healthy farmer – risks and solutions*, Dr Joanne Holmes and Dr Sarah Hillier. See Annex 7.4

## **28** Recommendation: Government and Industry via the Food Strategy, should consider how the National Curriculum and Higher Education can be used to:

- Assess career, skills and learning gaps in Universities, Colleges and Land-based Colleges, and secondary education (A-level/B-Tech), to encourage careers in food and farming.
- Agriculture should be included as part of Science, Technology, Engineering, and Mathematics (STEM) syllabuses.
- Transform healthy diet and nutrition education in our schools including healthy school meals and learning to cook from scratch.

#### 4.10.2 Establishing collaboration is a vital part of achieving farming profitability

One of the key findings from the review has been that **Government schemes have been complicated and time consuming**. Leaving farmers frequently deciding to pay for independent consultants and land agents to advise them. Equally, access to advice on skills, CPD and research is fragmented. The idea of the **Sustainable FARM Service** is to provide a 'one-stop-shop' with all farming information and services in one place.

Equally, in today's world more collaboration will be pivotal to achieving profitable farming. There are already great examples of: buying groups, farm clusters, cooperatives, including environmental cooperatives, livestock auction markets, Farmer Networks and Producer Organisations.

But farming is diverse, and we must trust the farmers to lead more collaboration at a local level. Establishing '**Food and Drink England**' will also help build relationships at a local level, increasing local food processing and increasing sales and purchase of locally produced food. If we are to build collaboration and partnership we will need to establish a pipeline of engagement between counties, regions and at a national level. Linking the '**Sustainable FARM Service**' to a network of '**Agri-Growth Hubs**' should aim to fill the gaps and coordinate local, regional and national relationships. The diversity of farm types, structures, priorities and needs, and that of the landscapes, communities and local communities and local economies in which they all sit, is vast.

#### 4.10.3 Agri-Growth Hubs

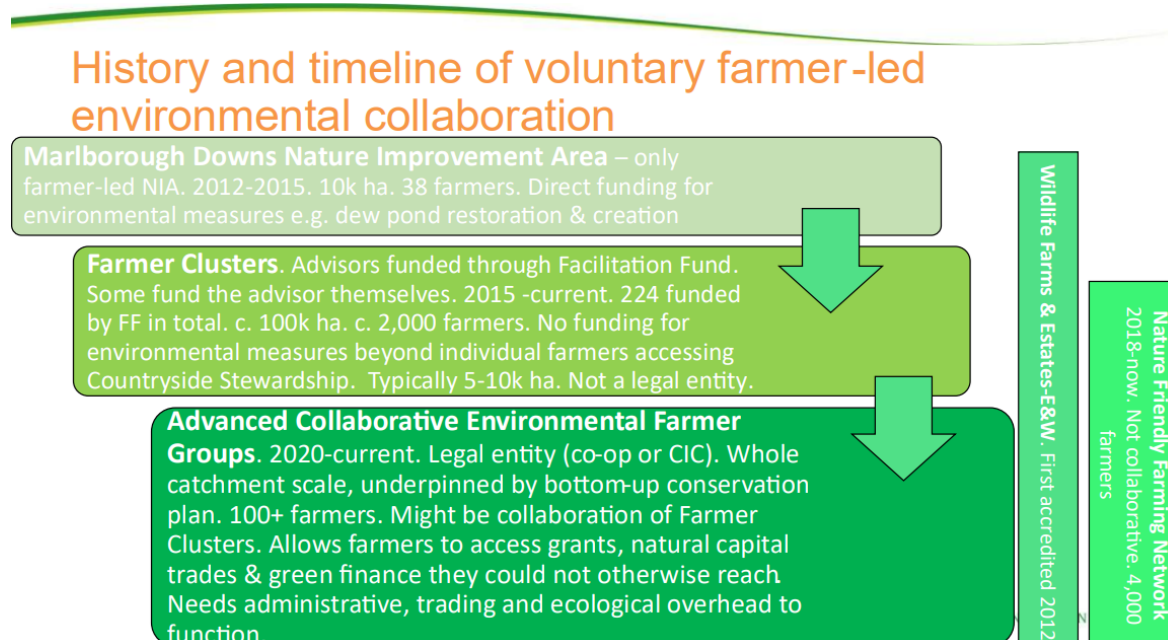
29

**Recommendation:** Defra, AHDB and Industry to establish and facilitate regionally based Agri-Growth Hubs, as collaborative farmer networks in the regions or river basins. Defra should look to engage MHCLG, devolved and local authorities.

**This will allow greater access to joining up the Monitor Farm networks for research, knowledge exchange, peer to peer learning, benchmarking and business relevant advice.** Setting future strategy, policy and commercial research should be done in accordance with these groups. Creating a pipeline of communication working both ways. England is dynamic and diverse, and these groups need to reflect the importance of farmer led initiatives.

Some of the original Farmer Cluster groups have set themselves up as farmer-led and farmer-owned cooperatives. With an initial facilitation fund, they offer potential of expanding Landscape Recovery projects across the country.

Figure 18. The history of Farm Environmental Delivery Groups



#### 4.10.4 Farm Environmental Delivery Groups (FED Groups)

Over the course of the review representatives from the **Farm Environmental Delivery Groups (FED Groups)** came into London to advise me on the review. These are existing cluster and collaboration groups which are farmer-led, bottom-up, voluntary, working at catchment scale to deliver landscape recovery.

For the review, they have set out their **offer to farmers and society**, harnessing scale and member cooperation to secure the best environmental results for fair reward in balance with society's need for food security and sustainable energy production.

Over the next decade, **FED Groups** could expand to cover 93 catchments delivering landscape recovery at a national scale. To support this:

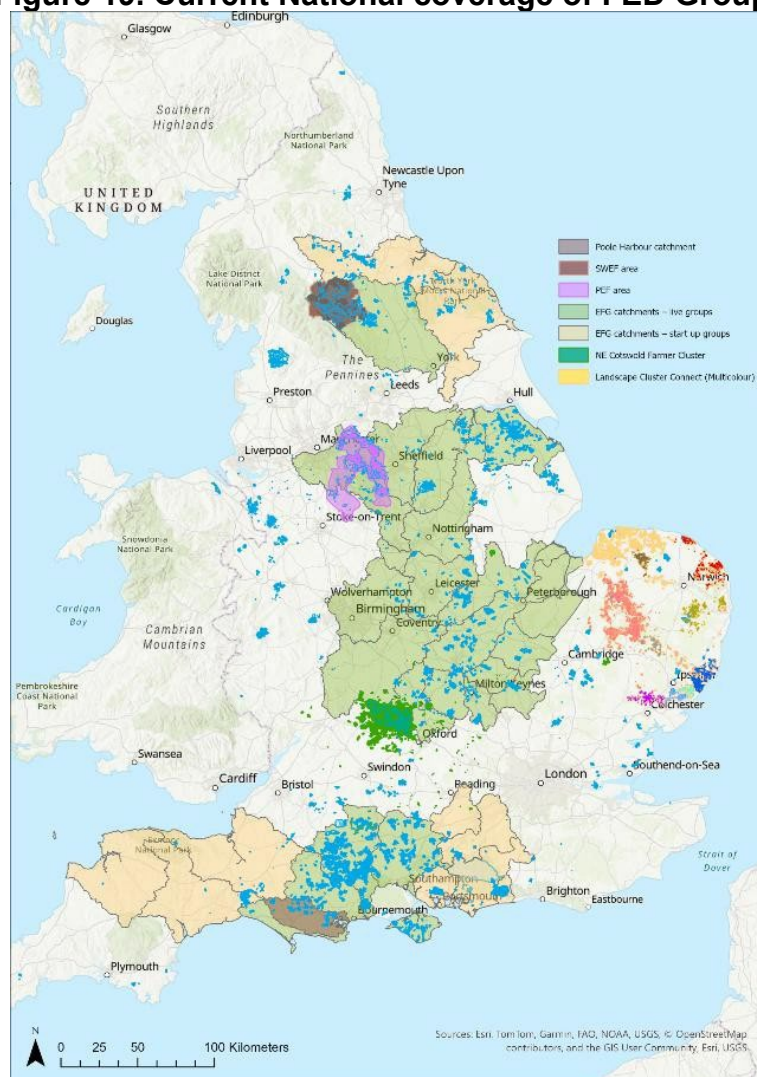
**30** Recommendation: Defra to work with FED Groups and MHCLG to establish relationships with local authorities and farmers/growers to better inform local policy linked to economic growth and tourism.

**31** Recommendation: Defra and the FED Groups to form a working group to establish further Farm Environmental Delivery Groups (FED Groups). These are farmer-led, voluntary groups working towards catchment scale i.e. 93 groups in catchments in England. Defra should look to engage MHCLG, devolved and local authorities.

**32** Recommendation: Defra must ensure that The Taskforce on Nature-related Financial Disclosures (TNFD) is made mandatory to drive demand from the corporate and business sector to offset environmental impacts and dependencies.



**Figure 19. Current National coverage of FED Groups**



## 4.11 People: access to skilled labour

In response to my open letter, **accessing appropriately skilled seasonal labour**, for the poultry sector and to pick and pack our fruit, vegetables and flowers was seen as a core barrier to profitability. There is concern that we may experience **significant labour shortages** due to the uncertain future of the Seasonal Worker Visa scheme and the associated extra costs. However, the problems on access to a permanent workforce was also something that was raised throughout, as was the rising cost of domestic labour (including from recent changes to minimum wage and National Insurance Contributions (NIC)).

The findings of this review show there is an **urgent need for the UK Government to re-evaluate the skills base our economy requires**. We have recently lost eleven nutrition-based university courses. The Food Technology A-level has been downgraded to B-Technology.

**There are many benefits to farming, food and society by being better connected:**

- The Countryside Trust, LEAF NFU Education offer: “Farming into Schools”.

- Children and teachers report the enormous benefits of connecting through hands-on activities, virtual lessons and the opportunity for farm visits.

**33** Recommendation: Government must implement the recommendations from John Shropshire's independent review into labour shortages in the food supply chain (see Annex 7.5). Which include the transformation and investment needed in automation and robotics to replace the dexterity and speed of the human hand

**34** Recommendation: Seasonal Worker Visa Scheme extended to nine months to cover the whole season.

### **CASE STUDY: Dovecote Park's Training, Learning and Development Programme**

Dovecote Park supplies British beef, veal and venison to Waitrose, sourcing directly from the Dovecote Park/Waitrose producer group to create exceptional high-welfare products. In 2015 they launched an award-winning apprenticeship scheme but found that the scheme was not meeting business need.

Building on the success of the apprenticeship scheme, Dovecote Park designed a training, learning and development programme which consists of a 12-month course offering qualifications, a pay rise on completion, and long-term career opportunities. Initially looking to recruit 20 trainees, this rose to 25, alongside upskilling existing staff who were interested in a career in butchery.

The programme has 3 core components which ensure success:

1. A designated training area mimicking a production line, where trainees are taught the required skills by Dovecote Park's independent training officers.
2. Classroom training where the inhouse assessor teaches the required knowledge and skills for a career in butchery.
3. Direct experience on the production line delivered through a designated buddy system. Trainees are tested and given the experience of working at pace.

The trainees are assessed daily, and progress is monitored using a training compliance tracker, reviews, and a rotation board. Trainees are supported to succeed, and extra support is provided to individual trainees where needed.

Dovecote Park designed the programme to meet their specific business needs. For example, they identified skills gaps in the boning hall and so these positions were placed at the beginning of the training plan, before following through to all butchery positions across the duration of the course.

In an industry experiencing recruitment issues, Dovecote Park has found that their in-house training programme helps mitigate against this. The programme attracts candidates as they can earn as they learn, reach higher levels of pay, and achieve the equivalent of a Level 2 Butcher qualification. They have seen increased retention rates as trainees appreciate the quick pace of career progression through the course.

By designing their programme to meet their skills and staff shortages, Dovecote Park has seen a significant return on investment. Trainees progress onto skilled pay scales at a quicker rate, and existing staff are encouraged to upskill. They now have a sustainable pipeline of trainees filling skilled vacancies, with some trainees having progressed to supervisor roles after 12-18 months.

### 4.11.1 Tenants

The **tenant farming sector is a core part of our agricultural system**, 45% of all farm holdings in England are either wholly or partly tenanted and a third of all agricultural land in England is managed under a tenancy agreement (land that is rented for a year or more). Tenanted farms face specific challenges to farm profitability due to the complexity of tenancy agreements and managing relationships with landlords and agents. Anecdotal information is that the changes to Inheritance Tax and the introduction of the Environmental Land Management schemes are changing the relationship between some landlords and tenants.

### 4.11.2 Barriers to investment and profitability for the tenanted sector

Several respondents to the review highlighted that **the short-term nature of many tenancies does not incentivise long-term investment** which could improve performance. It was noted that for tenants on short-term agreements with uncertainty over renewal, it can be difficult to invest in the basics of farming, such as fencing, water supplies and access tracks. There is also little incentive to invest in long-term environmental benefits such as soil quality. To give confidence to invest, respondents pointed to the need for more support for long-term tenancy agreements and the need for changes to end of tenancy compensation to value those investments, particularly natural capital, fairly. There were also more practical suggestions around the way Government grants are awarded, such as increased flexibility to allow joint applications between landlords and tenants, noting that tenant farmers can have issues accessing finance due to the lack of owned assets to borrow against, high interest rates and unsecure tenancy terms.

The relationship between a tenant and landlord is often complicated, with additional pressure on tenants to be profitable to meet rent payments. Several responses mentioned that rents are increasing, with one respondent pointing to the loss of BPS changing the behaviour of landlords who are looking to adjust rents to recover the lost income putting additional pressure on the profitability of tenanted farms.

### 4.11.3 New entrants

**The price of land is a significant barrier to entry** and respondents highlighted the important role that tenancies play in enabling the next generation of farmers who do not have capital to buy land to start up in farming by renting land. Micro-farm opportunities and alternative business models, such as share farming, were also highlighted as ways for new entrants to start up in farming. Tenancies also give an opportunity for successfully established farms to expand. However, respondents pointed out that there are financial barriers on both sides to establishing new and long-term tenancies and highlighted the need for business skills to support tenancy arrangements. There were also comments about support for tenants who are retiring including provision of housing, where housing was previously provided as part of the tenancy.

#### 4.11.4 The Farm Tenancy Forum

The **Farm Tenancy Forum** shared valuable advice to the review. The forum membership represents all interests in the tenanted sectors including tenant farmers, landlords and professional advisors and meets regularly with Defra. It is a crucial mechanism to discuss and progress the needs of the tenanted sector. Their publication of the Agricultural Landlord and Tenant Code of Practice for England and their recent guidance on the benefits of long-term tenancies are examples of the important work they are doing to support the tenanted sector. The review is also building on the work of the Rock Review in 2022 which set out recommendations to create a thriving agricultural tenanted sector. The Government has delivered on the majority of these recommendations including designing environmental land management schemes to be accessible to the tenanted sector, the appointment of Alan Laidlow as the first Commissioner for the Tenant Farming Sector in England and the inclusion of a review of agricultural tenancy legislation in the Law Commission's 14<sup>th</sup> Law Reform Programme.

#### 4.11.5 Tenancy recommendations

We could easily have multiple recommendations for how to better support the tenant farming sector. **The ongoing work of the Farm Tenancy Forum will continue to progress work in this area and so the review has focussed on highlighting specific issues for the sector that could impact profitability.**

To increase profits, we must ensure that tenant farmers are encouraged to invest in, and grow, their businesses. Encouraging long-term tenancies to provide the necessary certainty to do so is vital. Respondents suggested:

- The introduction of a scheme akin to the Irish Income Tax Relief scheme to encourage landowners to rent land and to do so on long-term agreements. The Irish scheme gives tapered income tax relief on income earned from the long-term leasing of farmland – see figure below taken from [www.revenue.ie](http://www.revenue.ie)<sup>4</sup>

##### The maximum reduction allowed each year

*Maximum reduction allowed each year*

Lease term	Amount
5 years or more, but less than 7 years	€18,000
7 years or more, but less than 10 years	€22,500
10 years or more, but less than 15 years	€30,000
15 years or more	€40,000

*Different threshold amounts applied for 2014 and prior years.*

- Abolishing the Stamp Duty Land Tax to support tenant farmers taking on long-term tenancies. The current scheme requires tenant farmers to pay stamp duty on tenancies of 7 years or more. Updating end of tenancy valuations to take account of investments including investments in natural capital.

<sup>4</sup> Information provided courtesy of the Revenue Commissioners under a Creative Commons Attribution 4.0 International (CC BY 4.0) licence

- Updating end of tenancy valuations to take account of investments including investments in natural capital.

**Tenant farmers and landlords need to be treated fairly.** There is a need to balance the rights, interests and obligations of both tenant farmers and landlords to ensure the tenanted sector can thrive and that both tenants and landlords are treated responsibly. The Commissioner for the Tenant Farming Sector is a good first step and the ability to have an impartial point of contact to raise and help resolve issues between landlords, tenants and professional advisors is important. However, in the absence of powers to legally enforce what is currently a voluntary industry Code of Practice on standards of responsible behaviour in the sector, it will be important to monitor the impact to ensure that the system is truly effective.

- 35** Recommendation: Defra to support the tenant farming sector to give them the confidence to invest in and grow their businesses by:
- Encouraging longer term tenancies through a review of income tax relief for landlords and stamp duty land tax for tenants.
  - Welcome the Law Commission's review of tenancy legislation and recommend that it should include up-dating end of tenancy valuations to include environmental value. The Law Commission review should also ascertain if the Commissioner for the Tenant Farming Sector needs to be given statutory powers in line with the Grocery Code Adjudicator.
  - Welcome the new Commissioner for the Tenant Farming Sector. The role should be reviewed in 2 years and consideration given to whether the post needs statutory powers including a statutory basis for the code of practice.



## 4.12 Tax Incentives, Grant Schemes and Investment

### Inheritance tax

Over the course of my review, the forthcoming changes to Agricultural Property Relief and Business Property Relief from Inheritance Tax (IHT) were raised as one of the most significant concerns. Changes to APR and BPR will also impact tenant farmers. The value of tenancies, including machinery, crops, and working capital of the farm business, will be subject to the relief cap. The overwhelming reaction of the industry to the IHT changes has attracted enormous media coverage, with thousands of people marching in London and tractor protests outside Parliament. IHT has also been raised by respondents to the Farmer Opinion Tracker, with some farmers saying changes to IHT would disincentivise investment. The change to IHT is a major issue for the sector and I have great sympathy with their concerns. The issue has been well-debated, and there are some interesting counter proposals which raise revenue and might encourage investment in farming. It has been made clear in my terms of reference that it is not for me to offer proposals to the Government on IHT. However, I could not write this report without reference to it.

### 4.12.1 Capital allowances

Several respondents also raised concerns with capital allowances. Some contended that the level of **Annual Investment Allowance (AIA)** is **insufficient to support meaningful investment and efficiency improvements on farms**. Whilst companies can set the full cost of plant and machinery against tax in the first year (“full expensing”), this does not apply to most farm businesses which are not incorporated and are instead sole traders and partnerships. Instead, those farm businesses are only entitled to a first-year annual investment allowance of £1m, which respondents contend is too low for many agricultural investments. Another respondent suggested that the current **Structures and Buildings Allowance (SBA)** of 3% a year of cost of construction and renovation of non-residential structures and buildings is problematic for farming businesses. **It is insufficient for investment in new agricultural buildings that are needed to accommodate new technologies**, such as robotic milking, modern grain drying, modern livestock housing, and for structures like on-farm reservoirs which are essential to profitability in a changing climate. One organisation observed that the lifespan of agricultural buildings is generally much lower than urban buildings, and many agricultural buildings have a shorter lifespan than the 33 and a third years it takes under the SBA to fully recover the initial investment. For example, a specialist pig building might have a lifespan of as little as 15 years. Other agricultural buildings typically have lifespan of 20 years. The shorter lifespan means that, at best,

the SBA will only relieve 40% of the cost of an agricultural building, whereas the costs of an urban office building or factory or industrial building with a designed lifespan of 50 years or more would be recoverable in full.

Suggestions put forward include increasing the AIA from £1m to £10m, enabling “full expensing” of annual investment allowances for unincorporated businesses for plant and machinery to provide an incentive to farm investment, and increasing the SBA from 3 per cent to 15 per cent. Another suggestion was to reduce the complexity and administrative burden of capital allowances by reducing the number of different allowances, thereby saving farm businesses professional costs.

**Capital allowances enable a business to deduct some, or all, of the value of certain items from profits before tax is paid.** Some types of capital allowance available to limited companies are not available to sole traders or partnerships. Where that is the case, the tax relief would not be available to most farm businesses because a 2016 Defra survey found that only 3% of farms are limited companies. For example, only companies can claim “full expensing” which lets a company deduct 100% of the cost of qualifying plant and machinery from its profits before tax in the year it was bought. The 50% first-year allowance lets a company deduct 50% of the cost of qualifying plant and machinery from its profits before tax in the year it was bought. Sole traders and partnerships can claim some other capital allowances. These include the Annual Investment Allowance, which allows a deduction of up to £1 million in the period the plant and machinery was bought. Sole traders and partnerships can also use the structures and buildings allowance tax relief to claim 3% on qualifying costs for the allowance period of 33 and a third years.

**36** Recommendation: HM Treasury to consider farm businesses operating as sole traders or partnerships should be eligible to claim full expensing and the 50% first-year allowance for qualifying plant and machinery.

**37** Recommendation: HM Treasury and Defra should assess whether farm businesses are able to benefit as intended from available capital allowances, and that tax relief sufficiently meets the specific circumstances of farmers. To include consideration of:

- Annual Investment Allowance
- Structures and Buildings Allowance

#### 4.12.2 Grant Schemes

Several respondents highlighted **challenges with existing grant schemes**, some of which I pick up in the [planning](#) and [advice](#) sections of this review. One organisation that submitted a collated response from its members noted that farm businesses which have the potential to realise the most productivity improvements (including the middle

50% of performers in terms of profitability) often remain unable to raise finance to take advantage of grant-funded projects. There was frustration among respondents that existing schemes often exclude those most in need, due to the up-front costs and the need for expensive advice to help with the grant funding application process. The challenge of funding investment and paying for surveys and planning long before final approval of an application is also a disincentive. Some previous schemes have not been open to applications from all farm business types. Other concerns raised by respondents include rigid specifications that can prevent farmers from purchasing the item most suitable to their farm.

Some respondents called for **ringfenced budgets for funding specifically directed towards improving productivity and farm profitability**, distinct from other Defra objectives such as environmental or animal health and welfare improvements. Others proposed replacing grant schemes with a soft loan system similar to those available to startups in Scotland, allowing farmers greater freedom to choose the equipment most applicable to the needs of their farm; and others suggested replacing grants with business loans offered at 0% interest to encourage a wider range of investment than grant schemes.

The Farming in Protected Landscapes scheme (FiPL) has been well received by farmers and has played a vital role in establishing more local and on-farm processing. There is a nervousness about Local Authorities handling grant funding for farming. Despite good intent the English Prosperity Fund proved very difficult for farmers to access. There would be serious merit in expanding FiPL funding to all regions via the Agri-Growth hubs to be administered.

**38** Recommendation: Through the British Business Bank, the Government should develop an offer of soft loans at 0% interest rate for new entrants, young farmers and business expansion investment. This could include public-private blended finance. The loans would unlock investment in the industry and would be open to a wider range of investment than that which supported the sector through traditional grant schemes.

**39** Recommendation: Expand targeted FiPL funding to regional Agri-Growth hubs.

**40** Recommendation: Review the current model of grant delivery to reduce the risk burden on farmers and streamline the approval process.

### 4.12.3 Investment

One organisation reported that the **EU Fruit & Veg Aid scheme** has significantly improved yield, quality, and volume, while extending the UK season for some sectors. In the organisation's view, opening a new scheme to both individual businesses and Producer Organisations is the most effective way for the Government to deliver on its commitment to support more growers. This would enable sector-wide investment to boost productivity and reduce environmental impact, while giving businesses autonomy over a broad range of outcomes. Increased funding is needed for research and development and productivity improvements, and the burdensome Innovate UK process should be streamlined to ensure funding reaches growers where it is most needed. **In the long-term, this would support the development of labour-saving technologies tailored to growers' needs**, reduce reliance on seasonal foreign labour, and enhance efficiencies across operations including energy, infrastructure, and water use.

**41** Recommendation: Future productivity funding should be open to more farmers and growers and make the level of funds available proportionate to the size of businesses applying. It should offer investment opportunities in productivity improvement across the entire sector, covering both individual businesses and Producer Organisations within sector missions.

### 4.13 Food production in planning regulation

#### **CASE STUDY: British Poultry Council**

The British poultry meat sector plays a vital role in ensuring the UK's food security. To maintain this, our producers must remain productive and profitable, with the ability to invest in technology and innovation and strong government backing to help the industry withstand global challenges.

The central factor to this is access to new and expanded farm capacity. The sector requires planning and land-use processes that prioritise food production and enable timely, transparent development approvals.

The industry has made a major step forward in their long-term commitment to reducing stocking density to 30kg/m<sup>2</sup>, its most significant welfare change in a generation. This move aligns with consumer preferences and reflects the world class standards of British poultry production. However, this shift creates a logistical challenge in the need for at least 20% more floor space to maintain current throughput of around 20 million birds per week.

**The existing planning system is not fit to deliver Government objectives for land use, the environment, or food production.** There is an urgent need to unlock and

streamline planning for farming and food production infrastructure requirements which currently faces significant barriers under the current planning framework. Respondents to my open letter clearly highlighted the lack of join up across Government priorities within the planning system. Respondents highlighted that inconsistency in planning regulation is causing massive delays, excessive and unknown cost and uncertainty. Blocking investment and development of infrastructure required to modernise farming and deliver better environmental and animal welfare outcomes. In some cases, like slurry storage, the infrastructure is part Government funded but still hampered by the local planning authority.

Respondents widely felt that the national planning framework does not recognise the need for domestic food production. Respondents also mentioned that implementation of Biodiversity Net Gain has placed undue cost and burden on farming/growing businesses who are already delivering biodiversity benefits across their farms. This has a knock-on effect on profitability as it restricts businesses from investing to keep up with the changing environment which they operate in. Similarly, respondents highlighted that planning is a barrier to critical infrastructure for developing national resilience, including on-farm reservoirs that provide drought and flood resilience and the modernisation of the national electricity grid.

#### 4.13.1 National blueprint: Planning for Food and Farm Infrastructure

##### **CASE STUDY: Planning in the Energy Sector**

Infrastructure that is essential to the country's operation and prosperity is normally managed through bespoke processes to ensure its development and resilience is an ongoing priority.

##### **Strategic oversight**

Within the energy sector, The National Grid and National Energy System Operator (NESO) work closely with developers and local government to coordinate development of energy infrastructure and planning to navigate local planning requirements. NESO also plays a role in forecasting network loads and informing future grid development. This guides all stakeholders in their project planning.

##### **Central government oversight**

Under the Planning Act 2008, Large, nationally important projects called Nationally Significant Infrastructure Projects (NSIPs), are processed at a national level. This means for energy NSIPs in England and Wales, developers must apply for a Development Consent Order (DCO) instead of local planning permission. This application is made directly to the planning inspectorate and decided by the Secretary of State. The DCO process is designed to be a "one-stop shop" that streamlines multiple consents into a single order, including compulsory land purchase powers where necessary.

##### **Prioritising projects**

For certain non-fossil fuel energy infrastructure, a "critical national priority" status has been developed which aims to speed up the planning process. This introduces a "strong presumption in favour" of granting consent within the local authority, placing high importance on these projects for the national energy grid.

**A less restrictive planning environment for our food and farming sectors is essential for them to adapt to the challenges of the modern world.** Farm infrastructure underpins this adaptation and is a cornerstone of ensuring long-term resilience. Setting a clear direction from central Government that food production and food security are a priority, is an essential first step to delivering the Government's manifesto commitments and aligned with the food strategy to ensure long term profitability in farming. A blueprint for 'planning for food' is essential to ensure that food and farming businesses are fully integrated into the UK's wider growth and planning agenda. Currently there is a persistent disconnect across Whitehall and between central and local government in delivering a planning policy that sufficiently balances the UK's land use needs. This **fragmented approach results in inconsistent decision-making**, regulatory overlap, and missed opportunities to align investment in farm infrastructure with national food security and sustainability goals. A clear, joined-up blueprint would provide strategic direction and prioritisation within the planning system.



This must be accompanied by **increased oversight by the planning inspectorate** to ensure that applications do not continue to get caught in long, uncertain and counterproductive appeal processes which are a major barrier to business planning. The planning framework and those that implement it should have a duty and a clear mechanism to ensure they support rather than hinder progress toward resilient, sustainable domestic food production.

**The current system is bureaucratic, costly and duplication of differing regulatory requirements that haven't been streamlined.** For example, new requirements on local authorities to deliver the clean air ambitions of the Environment Improvement Plan have been highlighted in response to my review as an acute issue. The National Pig Association (NPA) outlined that Local Authorities are regularly asking farmers to assess the impacts of muck and slurry spreading as part of planning applications. In some cases, muck and slurry is explicitly being exported to a licenced Anaerobic Digestion plant. Farmers and consultants are being asked to assess the impacts of spreading the resulting digestate, when that is not within their control. This requirement is duplicative to environmental permitting controls and has the perverse outcome of pushing farmers to export muck off-site, only to purchase alternative muck back onto the farm to use on their own land.

**42** Recommendation: Within 6 months, Defra must work with Industry to develop a National Planning for Food Infrastructure Blueprint to ensure that development and modernisation of food production is a priority in the planning system as a key part of our critical national infrastructure.

**43** Recommendation: As a priority, muck/slurry spreading requirements for ammonia should be removed from the planning process where their implementation is duplicative to pre-existing permitting regulation.

**44** Recommendation: Within the Blueprint, Defra must outline how it will ensure that reform of its regulatory bodies streamlines service for associated grants, permits and approvals from Defra/RPA/Natural England/Environment Agency/the Forestry Commission, and seeks to remove duplication of regulation wherever possible.

**45** Recommendation: Defra must work with MHCLG as a matter of urgency to ensure that the blueprint is implemented through the national planning framework and ensures:

- that planning decisions critical to domestic food production be made by central Government
- that local authority decisions are aligned to a central strategy for building domestic food resilience delivering our legislated environmental and animal welfare requirements.
- Biodiversity Net Gain (BNG) exemption for agricultural development and protected cropping structures.

**46** Recommendation: Defra should work with MHCLG to ensure that the Planning Inspectorate has the appropriate skills and resource to support the implementation of the blueprint.

**47** Recommendation: As an immediate priority, Defra should work with MHCLG to ensure an extension in the Permitted Development Rights (PDR) allowance beyond 1000m<sup>2</sup> for livestock buildings is made available to achieve better animal welfare and environmental outcomes.

#### 4.13.2 Energy and Connectivity

**To deliver a resilient, low-carbon rural economy, it is essential that farm businesses are empowered to generate, store, and manage their own renewable energy.** The current planning process impedes farmers ability to contribute more directly to local and national energy security by making it more challenging to invest in on farm renewables like wind turbines. Removing barriers in this area aligns Government's commitment to expand renewable generation capacity. The establishment of **Great British Energy** provides a significant opportunity to embed rural needs within the UK's clean energy transition and ensure that rural grid capacity improvements are prioritised alongside large-scale renewable projects. This is critical in enabling agricultural businesses to connect small- and medium-scale generation, battery storage, and vehicle-to-grid systems efficiently. British Energy could also help standardise and streamline local network planning, support pilot schemes for micro-grids in farming clusters, and ensure that Distribution Network Operators (DNOs) are incentivised to integrate distributed rural generation into the wider grid.

However, **many rural areas remain constrained by poor grid connectivity and limited digital infrastructure**, "not-spots," which restrict the ability of farms to adopt smart energy systems, precision technologies, and digital business tools. By

addressing these infrastructure gaps, Government can unlock private investment in on-farm renewables, enhance rural productivity, and ensure that agricultural businesses are part of delivering the UK's clean energy transition.

**48** **Recommendation:** Defra must ensure that extended PDRs for on-farm wind turbines are made available to farming businesses.

**49** **Recommendation:** Defra must co-ordinate with Department for Energy Security and Net Zero (DESNZ), Department for Science, Innovation and Technology (DSIT) and Ofgem to ensure that District Network Operators are driving uptake of existing technologies in rural areas to improve internet access, mobile connectivity and grid capacity.

### 4.13.3 Water management

Due to our changing climate management of water on farms is increasingly critical. **Farm businesses have a central role to play in water management** both as water users but also as a source of resilience to floods and droughts. As with other areas of regulation covered under this review, the regulation of water abstraction and management on farm is a highly complex and fragmented. Responses to my open letter highlight that the overlapping regulatory oversight and complex processes for licensing and permissions are a major barrier in developing the water infrastructure businesses need.

**Sir John Cunliffe's review of the water sector** proposes the creation of nine new Regional Water Authorities to deliver on local priorities and address the failures of the current centralised system. This structure is intended to improve local engagement and foster greater ownership of water management issues by involving local authorities in decision making. There is an opportunity to ensure that farmer led groups including '**Agri-Growth Hubs**' and '**Farm Environmental Delivery Groups**' are set up to work closely with the regional authorities. These partnerships should maximise on opportunities for farming to deliver benefits for water quality and local agribusinesses to be represented in regional decision making. Linking up of farming groups with regional water priorities should learn lessons from Poole Harbour about involving farmers pro-actively from the start.

In areas where farming businesses rely on water abstraction, navigation of regulation and planning is particularly challenging. [Annex 7.6](#) outlines how a local Water Abstraction Group (WAG) on the Norfolk Broads is working to bring independent expertise into local decisions, highlighting **the need for a revised approach that better balances protection of local sites with food production and environment.**

**50** Recommendation: Defra's implementation of the regulator reform and regional planning recommendations of the Cunliffe review should be considerate of farming businesses by seeking to reduce regulatory fragmentation.

**51** Recommendation: Defra should build on the recommendations laid out in [Annex 1.8](#) to embed an evidence led, partnership approach with the farming industry in regions where water abstraction for food production is needed.

**52** Recommendation: Defra should ensure that the establishment of Agri-Growth Hubs and Farm Environmental Delivery Groups proposed in this review are embedded in delivery of the Cunliffe recommendations with the aim of building relationships at a local and regional level.

**53** Recommendation: As an immediate priority, Defra must work with MHCLG to ensure that extended PDRs for on farm reservoirs are made available.

## 4.14 Regulation

A long history of work led by both Defra and **the agricultural sector has pointed to the complexity of regulation facing farmers** yet, substantive reform to agricultural regulation has not occurred. Most recently **Dan Corry's review of Defra's regulatory approach**, concluded the need for a more proportional and outcomes-based approach to regulation, including on farms. This strongly correlates with the responses I received when conducting this review.

In response to my open letter, respondents raised a wide range of suggestions for how improvement to farming regulation would unlock profitability. Responses with specific recommendations focussed on access to crop protection products and out of date animal health and welfare regulations that have played a part in the widespread loss of small abattoirs. There was a strong sentiment among respondents that food production, food security and the resilience of farm businesses are not well recognised outcomes in the current regulatory approach. Respondents also highlighted that the regulatory framework is overly complex, and the proliferation of regulators makes it hard for farmers to know where to go for advice on compliance. This multiple regulator approach also creates duplication in reporting requirements which add further cost on top of managing reporting for farm assurance and contract requirements. My recommendations **look to build findings of previous work on farming regulation to highlight opportunities for unlocking profitability.**

#### 4.14.1 Outcome focussed regulation

Farming businesses are subject to an overwhelming array of regulations that have built up over decades. There is a compelling need to reform agricultural regulation, moving to a streamlined and outcome-focused model that allows farm businesses to adapt and innovate. Current methods often fail to reflect the nuanced realities of farming. For example, the rigid calendar-date restrictions under the Nitrate Pollution Prevention Regulations 2015 can impede effective nutrient management that should be responsive to seasonal variations and local conditions. Similarly, the hazard-based approach to Plant Protection Products (PPPs) can stifle innovation and prevent the adoption of genuinely lower-risk alternatives, without adequately balancing the risks and benefits in real-world application. UK trade policy does not uphold equivalent standards for imported goods, putting domestic farmers at a competitive disadvantage. To support the transitions explored in this review **the regulatory system should evolve towards an outcomes-based framework that enables flexibility and allows farmers to balance environmental ambitions with the need for domestic food production.**

**54** **Recommendation:** Defra should undertake a systematic review of regulation, assessing the effectiveness and economic cost of legislation and regulation relating to agriculture.

#### 4.14.2 Data driven regulation

Farmers find that meeting compliance with regulations is often **duplicative** with requirements set elsewhere. Farm assurance schemes, contract requirements and applications for Government grants, schemes, licences and permissions often require farmers to submit the same information in different formats. Significant opportunities exist to streamline the duplication of regulatory inspections by recognising good performance through ‘earned recognition’ of trusted partners. Establishment of clearer metrics and centralised data flows through the agricultural system could reduce burden on farmers time and the cost of specialist advice by simplifying reporting. Access to better farm data is also key to unlocking more outcome focussed regulation.

**55** **Recommendation:** In line with the Corry review, Defra should identify opportunities to reform regulation with the aim of:

- Evolving farming regulation to become outcomes focussed and move away from “calendar-based approaches”, allowing farmers who are doing the right thing to easily demonstrate compliance
- Ensuring wherever possible that regulation is risk based (rather than hazards based) and follows a science and evidence-based approach for plant protection products.
- Creating a fit-for-purpose approval pathway specifically for biological crop protection products

### 4.14.3 A Proportionate Regulatory Approach

Since the end of cross-compliance in England in 2023, the regulatory landscape for farming has shifted from a unified, grant-linked system to a more fragmented model, increasing the complexity for farmers. Where the Rural Payments Agency (RPA) previously managed a broad set of environmental and welfare rules under a single framework, responsibility has now been distributed among various agencies, including the Environment Agency (EA), Natural England (NE), the Animal and Plant Health Agency (APHA), and the Food Standards Agency (FSA).

This transition presents a significant challenge for farmers, as **each regulator operates with a distinct remit, enforcement style, and set of priorities**. The EA focuses on water and soil quality, often favouring an advice-led approach before resorting to formal action. NE concentrates on nature conservation, particularly concerning protected sites. APHA addresses biosecurity and animal health. The FSA oversees food safety and hygiene from the farm gate onwards. Domestic food production is not a defined objective of any of these organisations resulting in a system which high administrative burden and complexity for farm businesses which stacks requirements on businesses without reasonably considering farmers primary role as food producers. For the UK to maintain high standards for the environment and public health without unduly burdening domestic producers, there is a clear need for a more coherent and proportionate regulatory approach that balances environmental obligations with the sustainability of domestic food production.

**56** Recommendation: In line with the Corry Review Defra should strengthen the regulator code to ensure regulators are fully considering the cost of compliance and proportionality of regulation on farm businesses. Regulators should have a responsibility to ensure that they don't undermine wider Government objectives to support a transition to profitable and resilient domestic food production.

**57** Recommendation: As an immediate priority, Defra should work with FSA to minimise the bureaucracy and resulting cost of FSA official controls for small abattoirs



## 5 Conclusion

I conclude the Farm Profitability Review where I started, by reinforcing my first recommendation on **the importance of valuing farming**. Looking back on my lifetime as a farmer I feel this point is fundamental to the future, not just for farmers and profitability, but what we want for our country.

### 5.1 Success in six months:

- Following the example set by others, Defra to work with ONS on **establishing the wider value of farming to UK GDP**. Evidence shows this leads, in some cases, to an 80% increase in value.
- Defra and industry to establish a Secretary of State led **SOILSHOT + NATURE Taskforce** to create a new economic transformation fund for family farms which is underpinned by the development of a high integrity BSI accredited Government backed scheme.
- **Making TNFD mandatory**, the scale and integrity of this scheme is crucial to affordability and unlocking growth and investment.
- Government Chief Scientific Advisors and industry to prepare **commercial research bid for transforming and scaling nutrient removal, drying and pelletising**.
- **Putting farming at the heart of Defra**. 'The Great British FARM' to launch a 'Buy British Balanced Scorecard' for growing domestic production and consumption of British food and raw ingredients in domestic and export markets.
- Announce **farming representatives for future trade delegations**.
  - Food Strategy Advisory Board (FSAB) to support the development of '**Food and Drink England**' creating local and regional relationships with farmers and food producers. Ensuring British food and raw ingredients are wherever possible seasonally and locally grown 'whole foods' as an intrinsic metric of the ten-year 'Plan for Healthy Foods'.
  - **Unlocking the planning system to turbo-charge the rural economy** for more on-farm reservoirs, green energy and buildings delivering roof-top solar, alongside better animal welfare and environmental outcomes.
  - **Closing the gap between rural and urban areas** by establishing the 'Grown Here Growth Plan for Rural England.' Forestry for construction, Green Fuel, Sustainable Fibre, Environmental Horticulture, creating garden communities for everyone everywhere.

### 5.2 12 – 24 months:

- **Fair dealings and supply chain fairness** recommendations delivered and all sectors achieving the same benefits.

- **Regional farmer collaboration** and Agri-Growth Hubs established. FED groups rollout beginning in Water Catchments.
- **Partnership working established** with UK framework in place through the Great British Farm Advisory Board.
- **Sustainable FARM Service established** as a 'one-stop-shop for advice, skills and research.
- Fully functioning **market monitoring** in place

It hasn't been possible to cover every aspect of what will make a farm business more profitable. **There are some areas that I wish there had been more time to cover.** In particular, the threat to animal, plant and human health from a disease outbreak. I believe we remain at significant risk, but in many ways, this warrants a review of its own.

I didn't talk to as many **young people** as I would have liked to have done. Those that I did speak to are ambitious for change, they want a different, more dynamic farming and growing sector. They want and are determined to achieve a better work-life balance than perhaps my generation have managed.

I didn't cover **farm diversification** because to my mind that would have distorted the importance of trying to resolve the urgent need for farm businesses to be profitable from farming income alone.

For some, I will have gone too far with this review, for others not far enough. That is the nature of farming. The same applies to Defra, an enormous Department, with so much to do. Whilst I accept funding constraints, everything in this review needs to happen. **Defra needs to become much more of an economic department and work with farmers.** It will take time to establish a new relationship, patience, change and commitment will be needed on all sides.

As Alexia Robinson the pioneer and founder of 'Love British Food'<sup>5</sup> proved at the recent National Harvest Festival in Westminster Abbey – together we are stronger, but above all else we are better because of it.

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<sup>5</sup> <https://www.lovebritishfood.co.uk/>

## 6 Annexes

### 6.1 Table of Recommendations

<u>Recommendation 1</u> : In line with other countries, ONS should reassess value of GDP for UK agriculture and horticulture production by also measuring value of primary and secondary processing.
<u>Recommendation 2</u> : ONS should conduct an external/independent assessment of the full current and potential value of farming i.e. businesses that are directly related to farm businesses. Including allied industries, associated research stations, green energy, recreation and tourism.
<u>Recommendation 3</u> : Government to place more economic value on nature, which is currently not measured in GDP, by: i) ensuring ONS go further and faster in including the additional measures they are developing for international accounting (under the 'Beyond GDP') in the national accounting framework; and ii) OBR and HMT to consider natural capital stocks and flows in their assessment of the UK economy.
<p><u>Recommendation 4</u>: Defra to provide a scheme that is available for applications from farmers that were unable to access the previous SFI scheme. The scheme should include soil baselining, protein crops (peas and beans), pulses and oilseeds alongside existing SFI options that deliver greater resilience, including herbal leys and cover crops.</p> <ul style="list-style-type: none"> <li>• Scheme must include options for Hill and Upland farmers and importantly, measure the importance of farmers and their families and those working on farms in these often-isolated areas</li> </ul>
<u>Recommendation 5</u> : Defra to assess the most cost-effective way to deliver the scheme.
<u>Recommendation 6</u> : Defra to apply the 'Active Farmer Principle' to schemes in the Farming Budget to ensure that funding is only going to farmers, rather than landowners or developers.
<u>Recommendation 7</u> : Defra Secretary of State should lead: "SOILSHOT + NATURE taskforce to explore development of a new funding stream to achieve payment rate in line with S&P comparison to median household earning. Taskforce should include the NFU, Country Land and Business Association (CLA), Institute of Grocery Distribution (IGD), Banks, Defra Green Finance Team and HMT where appropriate.
<u>Recommendation 8</u> : Defra/industry should work to develop a consistent set of standardised metrics for insetting markets to ensure their use in supply-chain agreements to address scope 3 is equitable and high integrity.
<u>Recommendation 9</u> : Defra/industry explore metrics aligned to agriculture for insetting and offsetting for nature outcomes: hedges, trees, green cover, nature benefiting herbal leys and cover crops.
<u>Recommendation 10</u> : Defra must mandate nature reporting for corporate businesses in the UK via TNFD.

Recommendation 11: Defra should work with industry to establish a Whole Farm Approach to building soil health, restore fertility, cut emissions, and increase resilience. This should include working with the Food Data Transparency Partnership, Farm Productivity Group, Sustainable Farm Networks, Linking Environment Food and Farming (LEAF) Demonstration Farms and others.

Recommendation 12: SOILSHOT+NATURE: to ensure a high integrity option in the Defra BSI standards

Recommendation 13: Government and industry to establish the Great British FARM Advisory Board (GBFAB) to take a strategic approach to increasing market share of British raw ingredients in retail, out of home, exports and public procurement. The GBFAB should bring together technical expertise from government, farmers and the supply chain to agree sector missions within each market. The Board should have the necessary expertise to identify the opportunities and blockers and resulting action needed from government policy, the supply chain and on farm delivery.

Recommendation 14: The GBFAB should track progress through a national balanced scorecard for each sector alongside tracking imports. The balanced scorecard should cover the British sourcing requirements from food retail and out of home to co-ordinate sector missions, as a means of managing supply and demand within the agriculture and horticulture sector as we import more food.

Recommendation 15: The GBFAB to develop a meaningful plan for growing our exports 30% by 2030, using the balance scorecard to balance exports with demand from the home market and building in the ambition in sector missions. Using this plan as a basis, the government to develop a coherent approach to trade negotiations and ensure continued support for our network of attachés to open global markets.

Recommendation 16: Defra should ensure the Circular Economy is considered at all levels of farming policy and decision making from exploring opportunities to reduce costs to creating new revenue streams through innovation and unblocking market failures.

Recommendation 17: Support the initial Trade and Agriculture Commission's recommendations 3,4,7, 8 and the call on the UK Government to promote, lead and develop global standards on environment, welfare and labour rights. Ensure farmer representatives are part of UK trade delegations (in line with US, Australia and NZ)

Recommendation 18: As set out in Government's Trade Strategy, Government must ensure we use the full range of powers to protect our most sensitive sectors, including ensuring tariff and safeguarding measures are included in all trade deals. Use the GBFAB balanced scorecard, including import data, to track volumes and through the market monitoring team, flag if safeguarding measures need to be applied.

Recommendation 19: Defra to support the continued role of the Trade and Agriculture Commission (TAC) in scrutinising trade deals and for the TAC to regularly engage with the Great British FARM Advisory Board to ensure implications of trade deals on increasing market share of British raw ingredients in retail, out of home, exports and public procurement are fully understood.

Recommendation 20: Review and update the retailer's voluntary principles on country-of-origin labelling and extend to out of home. In doing so introduce a requirement that use of British branding is underpinned by assurance schemes. Review its effectiveness in 2 years and if found to be ineffective introduce 1) statutory changes on the use of British branding or 2) labelling similar to the Australian made logo.

Recommendation 21: Government to ensure an effective and joined up approach to regulating unfair practices in the supply chain by:

- Extending the Groceries Supply Code of Practice (GSCOP), and therefore the remit of the Grocery Code Adjudicator (GCA), to out of home as the second largest market for British raw ingredients
- Enshrine the GCA's Golden Rules in law.
- Extend the GSCOP to intermediaries and reduce threshold from £1 billion to all businesses purchasing over £500 million
- Continue the Supply Chain Fairness reviews and extend fair dealing regulations to all sectors, including sugar.
- Bring the GSCOP and the GCA under the Defra umbrella to strengthen links to the Agricultural Supply Chain Adjudicator (ASCA) and in doing so ensure the ASCA and GCA are adequately resourced to carry out their functions.

Recommendation 22: Government should work with AHDB/NFU to establish an enhanced market monitoring function to bring together and collect industry and government data on prices across the supply chain. This should include data on farm gate, retail prices, prices through the supply chain, core input prices (including fertiliser) and HMRC data on trade flows, where necessary using powers set out in the Agriculture Act 2020. The Sustainable FARM Service and Agri Growth hubs should get that information to farmers/growers and support them in using it to their advantage. This data will also be used to create the Great FARM Board's balanced scorecard to track progress against growing market share.

Recommendation 23: Government should update the Buying Standards for Food and Catering Services to cover all sectors and to set consistent standards that prioritise British provenance, and embed dynamic procurement principles to make it easier and fairer for smaller, more local suppliers to access, and introduce mandatory data collection and reporting to ensure transparency and accountability

Recommendation 24: Defra should establish Food and Drink England within the existing food strategy board to mirror the equivalent bodies in Scotland, Wales and Northern Ireland to establish closer relationships with farmers and local government linked to health, economic growth and food tourism. Food and Drink England should champion English food producers, develop our national food culture and unlock regulatory barriers. It should do this by:

- Ensuring alignment with the Food Strategy priorities and restoring English whole foods as the foundation of our national diet as an intrinsic metric in the 10yr Food Strategy.
- Encouraging seasonality, healthy diets, nutrient density and reduced food miles.

- Running consumer-focused campaigns to champion premium English products.
- Encouraging local farmer food champions.
- Closing the gap between farmers and local communities and putting food at the heart of local communities.
- Enabling local sustainable brands and effective use of geographical indications.
- Catalysing the work of economic growth hubs and tourism linked to a local food culture.
- Unlocking barriers to increase growth in local economies e.g. small abattoirs, local processing and jobs.
- Enabling development of innovative locally focused businesses to decentralise food processing and support dynamic local and regional supply chains.
- Supporting our national food distribution in line with Professor Tim Lang's work by increasing local food resilience against threats including cyber-attacks.
- Supporting English food producers to access new markets from local to international in line with GB FARM Board strategy.
- Building relationships on public procurement at a local level.

**Recommendation 25:** Defra should work with AHDB, TIAH, UK Agri-Tech Centre and Defra Chief Scientific Advisor, plus sectoral expertise with a view to developing a more consolidated and simplified system that provides comparable or better benefit compared to the technical advice platform in Ireland:

- As a first step, Defra should establish a working group with industry tasked with consolidating the output and outreach from AHDB, TIAH and UK Agri-Tech Centre and sectoral expertise in Defra with a view to getting research prioritisation and translation, farm advice, skills into one place. The working group must consult industry, interrogate similar models in other countries, design an outcomes-focused model, and set out a pathway for change that fulfils all sector requirements. It should include making recommendations on governance, funding and geographical scope.
- It will be for Industry/government to decide at the end of 2 years whether this should become a formal centre for research, innovation, advice, and training. I see many benefits in achieving this. It will be a true test of whether the approach to achieve partnership has been successful.
- The industry offer should examine the partnership and Research and Development (R&D) translation model demonstrated by Teagasc, the Agriculture and Food Development Authority, in Ireland with the aim of developing a clear offer for collaboration on implementing new understanding to achieve agreed outcomes.



- Develop strategic plans to achieve sector objectives and to improve the use of data to inform decision making and establish how the market monitoring service can be coordinated to give farmers and growers up-to-date and real-time information.
- With Defra CSA and research funding leaders (see Recommendations below), develop priorities and pipelines for farming commercial research and to improve join-up with research and innovation.
- Work with regional Agri-Growth Hubs to deliver support to farmers in every region.
- Engage throughout with farmers and growers, developing the strategic partnership approach for the farming roadmap.
- Develop a new online portal as a one-stop-shop for farmers to access advice, support and scheme applications through one dashboard, even where content is hosted by different organisations.

**Recommendation 26:** Defra Chief Scientific Advisor should work with BBSRC and Innovate UK on a co-ordinated approach for a goal-orientated scaled Commercial Research bids. A suggested priority for initial targeting is SOILSHOT – focusing on a suite of R&D around new green fertiliser products from phosphates, ammonia in poultry, livestock, and sewage sludge. These programmes should aim to achieve significant private sector funding and to keep both talent and new commercial opportunities in the UK.

**Recommendation 27:** Defra CSA and Industry should collaborate on developing a system for regularly discussing and agreeing priority areas for Commercial Research bids on a sector and sub-sector basis. These should ensure inclusion of underrepresented industries.

**Recommendation 28:** Government and Industry via the Food Strategy, should consider how the National Curriculum and Higher Education can be used to:

- Assess career, skills and learning gaps in Universities, Colleges and Land-based Colleges, and secondary education (A-level/B-Tech), to encourage careers in food and farming.
- Agriculture should be included as part of Science, Technology, Engineering, and Mathematics (STEM) syllabuses.
- Transform healthy diet and nutrition education in our schools including healthy school meals and learning to cook from scratch.

**Recommendation 29:** Defra, AHDB and Industry to establish and facilitate regionally based Agri-Growth Hubs, as collaborative farmer networks in the regions or river basins. Defra should look to engage MHCLG, devolved and local authorities.

**Recommendation 30:** Defra to work with FED Groups and MHCLG to establish relationships with local authorities and farmers/growers to better inform local policy linked to economic growth and tourism.

Recommendation 31: Defra and the FED Groups to form a working group to establish further Farm Environmental Delivery Groups (FED Groups). These are farmer-led, voluntary groups working towards catchment scale i.e. 93 groups catchments in England. Defra should look to engage MHCLG, devolved and local authorities.

Recommendation 32: Defra must ensure that The Taskforce on Nature-related Financial Disclosures (TNFD) is made mandatory to drive demand from the corporate and business sector to offset environmental impacts and dependencies.

Recommendation 33: Government must implement the recommendations from John Shropshire's independent review into labour shortages in the food supply chain (see Annex 7.5). Which include the transformation and investment needed in automation and robotics to replace the dexterity and speed of the human hand

Recommendation 34: Seasonal Worker Visa Scheme extended to nine months to cover the whole season.

Recommendation 35: Defra to support the tenant farming sector to give them the confidence to invest in and grow their businesses by:

- Encouraging longer term tenancies through a review of income tax relief for landlords and stamp duty land tax for tenants.
- Welcome the Law Commission's review of tenancy legislation and recommend that it should include updating end of tenancy valuations to include environmental value. The Law Commission review should also ascertain if the Commissioner for the Tenant Farming Sector needs to be given statutory powers in line with the Grocery Code Adjudicator.
- Welcome the new Commissioner for the Tenant Farming Sector. The role should be reviewed in 2 years and consideration given to whether the post needs statutory powers including a statutory basis for the code of practice.

Recommendation 36: HM Treasury to consider farm businesses operating as sole traders or partnerships should be eligible to claim full expensing and the 50% first-year allowance for qualifying plant and machinery.

Recommendation 37: HM Treasury and Defra should assess whether farm businesses are able to benefit as intended from available capital allowances, and that tax relief sufficiently meets the specific circumstances of farmers. To include consideration of:

- Annual Investment Allowance
- Structures and Buildings Allowance

Recommendation 38: Through the British Business Bank, the government should develop an offer of soft loans at 0% interest rate for new entrants, young farmers and business expansion investment. This could

include public-private blended finance. The loans would unlock investment in the industry and would be open to a wider range of investment than that which supported the sector through traditional grant schemes.

Recommendation 39: Expand targeted FiPL funding to regional Agri-Growth hubs.

Recommendation 40: Review the current model of grant delivery to reduce the risk burden on farmers and streamline the approval process.

Recommendation 41: Future productivity funding should be open to more farmers and growers and make the level of funds available proportionate to the size of businesses applying. It should offer investment opportunities in productivity improvement across the entire sector, covering both individual businesses and Producer Organisations within sector missions.

Recommendation 42: Within 6 months, Defra must work with Industry to develop a National Planning for Food Infrastructure Blueprint to ensure that development and modernisation of food production is a priority in the planning system as a key part of our critical national infrastructure.

Recommendation 43: As a priority, muck/slurry spreading requirements for ammonia should be removed from the planning process where their implementation is duplicative to pre-existing permitting regulation

Recommendation 44: Within the Blueprint, Defra must outline how it will ensure that reform of its regulatory bodies streamlines service for associated grants, permits and approvals from Defra/RPA/Natural England/Environment Agency/the Forestry Commission, and seeks to remove duplication of regulation wherever possible.

Recommendation 45: Defra must work with MHCLG as a matter of urgency to ensure that the blueprint is implemented through the national planning framework and ensures:

- that planning decisions critical to domestic food production be made by central government
- that local authority decisions are aligned to a central strategy for building domestic food resilience delivering our legislated environmental and animal welfare requirements.
- Biodiversity Net Gain (BNG) exemption for agricultural development and protected cropping structures.

Recommendation 46: Defra should work with MHCLG to ensure that the Planning Inspectorate has the appropriate skills and resource to support the implementation of the blueprint.

Recommendation 47: As an immediate priority, Defra should work with MHCLG to ensure an extension in the PDR allowance beyond 1000m<sup>2</sup> for livestock buildings is made available to achieve better animal welfare and environmental outcomes.

Recommendation 48: Defra must ensure that extended PDRs for on-farm wind turbines are made available to farming businesses.

Recommendation 49: Defra must co-ordinate with DESNZ, DSIT and Ofgem to ensure that District Network Operators are driving uptake of existing technologies in rural areas to improve internet access, mobile connectivity and grid capacity.

Recommendation 50: Defra's implementation of the regulator reform and regional planning recommendations of the Cunliffe review should be considerate of farming businesses by seeking to reduce regulatory fragmentation.

Recommendation 51: Defra should build on the recommendations laid out in Annex 7.6 to embed an evidence led, partnership approach with the farming industry in regions where water abstraction for food production is needed

Recommendation 52: Defra should ensure that the establishment of Agri-Growth Hubs and Farm Environmental Delivery Groups proposed in this review are embedded in delivery of the Cunliffe recommendations with the aim of building relationships at a local and regional level.

Recommendation 53: As an immediate priority, Defra must work with MHCLG to ensure that extended PDRs for on farm reservoirs are made available.

Recommendation 54: Defra should undertake a systematic review of regulation, assessing the effectiveness and economic cost of legislation and regulation relating to agriculture.

Recommendation 55: In line with the Corry review, Defra should identify opportunities to reform regulation with the aim of:

- Evolving farming regulation to become outcomes focussed and move away from “calendar-based approaches”, allowing farmers who are doing the right thing to easily demonstrate compliance
- Ensuring wherever possible that regulation is risk based (rather than hazards based) and follows a science and evidence-based approach for plant protection products.
- Creating a fit-for-purpose approval pathway specifically for biological crop protection products

Recommendation 56: In line with the Corry Review Defra should strengthen the regulator code to ensure regulators are fully considering the cost of compliance and proportionality of regulation on farm businesses. Regulators should have a responsibility to ensure that they don't undermine wider government objectives to support a transition to profitable and resilient domestic food production.

Recommendation 57: As an immediate priority, Defra should work with FSA to minimise the bureaucracy and resulting cost of FSA official controls for small abattoirs

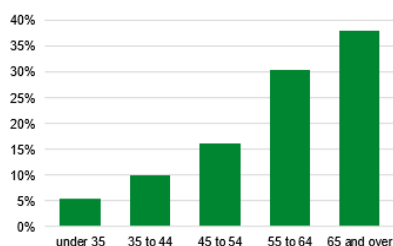
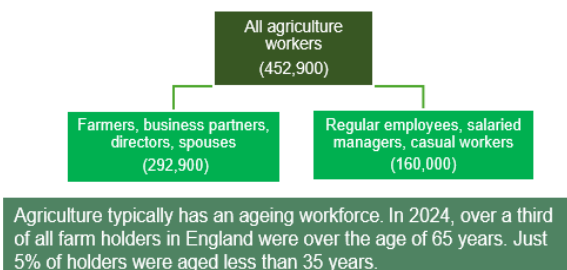
## 6.2 Agricultural Employment

How many people are employed within agriculture in the UK?

In the UK in 2024, agriculture employed almost half a million people. 65% of the agricultural workforce were mainly involved in business ownership or management.



In 2024, 65% of those employed in the agricultural sector in the UK were either farmers, business partners, directors or the spouse.



**84%** of farm holders in England in 2024 were male

**16%** of farm holders in England in 2024 were female

## 6.3 Terms of Reference, Scope and Approach

### Terms of reference

I was appointed in April 2025 by the Defra Secretary of State to conduct a six-month review into farming profitability. The [Terms of Reference](#) set out the parameters.

#### **I was asked to consider:**

- How farmers can reduce barriers to profitability, increase profit and manage their own risk to improve financial resilience such as through embracing innovation, improving productivity, increasing market access and using risk management tools.
- How the supply chain can support farm profitability such as through greater transparency, cooperation and ensuring a fairer distribution of risks, rewards and responsibilities.
- Whether there are other ancillary activities that farmers can undertake to support profitability and wider economic growth.

#### **And produce:**

1. Reasoned and evidence-based recommendations on priority policies and interventions that both the Government and industry could take to address the above objectives. These should be set out in a report with pragmatic recommendations to the Defra Secretary of State to tackle farming profitability over the short, medium and long term. Where recommendations relate to other Government departments, or parts of industry, this should be made clear and based on engagement with those stakeholders.
2. Provide expert opinion to Defra on matters relating to farm profitability on invitation by the Defra Secretary of State during the period of the review.
3. Have regard to offer input to the Food Strategy, Farming Roadmap, regulations and the Land Use Framework, as well as wider Government missions and priorities, including for growth.

*N.B. The Terms of Engagement for the review was extended by three weeks and two days at the request of the Defra Secretary of State (Emma Reynolds) to allow for appropriate join-up with the Farming Roadmap and allow Ministers appropriate time to engage with the review following the reshuffle.*

### **Approach**

This review focusses on supporting the viability of farming businesses and the wellbeing of the farmers and growers who manage them. It also considers the natural landscape and rural communities farming supports and the infrastructure, jobs, skills and businesses. My recommendations reestablish the role of farming in society to produce food, protect the environment and contribute to the economic growth of the food and drink sector, the largest manufacturing sector. In this review I set out a cross-system approach and address the barriers to viability and profitability, informed by engagement across the farming sector, Government and wider supply chain.

### **Scope of my recommendations**

**The primary purpose of a farm business, for the purpose of this review is a business that produces an agricultural yield from the land. but that yield was not exclusive to food.** Therefore, I looked at...

- **All farm business types** across sub-sectors, regions, tenanted and landowners, and collaborative groups. Including farms producing ancillary commodities from agriculture or innovative uses for agricultural byproducts.
- Businesses that have a primary focus around **hospitality** (such as holiday lets or farm shops) or **landscape recovery and preservation** *without* the agricultural output were not in focus of the review.

**Profitability is the ability of a business to produce enough revenue to cover costs and consistently turn a profit, to be able to reinvest in the business.** Therefore, I looked at:

- **Costs to produce** the agricultural commodity including input costs and infrastructure and investment. Including **costs associated with risk**,



**resilience and volatility** such as from increasingly extreme weather, shocks to the global supply chain or from disease and pests.

- **Business management costs**, including labour, people and skills and **financial succession planning**, including Inheritance Tax, tax relief.
- **Sale of agricultural commodities** and potential revenue streams from circularity of by-products and **revenue from environmental land management or stewardship**
- **Government funding and private funding for farming and land management.**

## 6.4 Methodology

In carrying out the review I have not only called on my own experience, and understanding, but have also acted as a convenor and facilitator, drawing on the expertise in the industry, academia and Government, in some cases tasking others to consider detailed topics. I was supported by a small secretariat of Defra officials, who assisted me with interfacing externally and with the department to gather further advice and expertise, liaising with specialist colleagues such as policy leads, social researchers, economists and analysts. I reported to the Secretary of State (both prior and current) on a regular basis to provide an overview of progress.

Engagement with farmers, those who work with farmers, academia and the supply chain has been essential. I spent much of the review consulting with a wide range of voices, a breakdown of which are listed in Annex 6.5, 6.8 and 6.9 below. I chaired meetings with food and farming sector stakeholders, providing leadership and encouraging diverse and representative contributions, to ensure an appropriate degree of consensus across industry with all sectors and regions.

In addition to meeting with sector representatives, I sent open letters to farmers and growers and to the supply chain (Annexes 6.6 and 6.7). I asked respondents to indicate their three main barriers to profitability in farming, and their proposed solutions. Although I requested that individuals direct their responses through their industry groups, the review received over a hundred responses from many different people and organisations. The review received thirty-eight responses from individuals, seventy-five on behalf of organisations (Annex 6.5) and twenty-seven collated responses (Annex 6.8). Responses ranged from short emails to detailed reports and annexes.

All responses, including relevant submitted reports and attachments were subjected to detailed thematic coding, based on the core themes emerging from the data, focussing on the barriers and solutions to farm profitability outlined by respondents. The analysis was undertaken by a team led by social researchers. CoPilot, a secure Artificial Intelligence (AI) tool, was used as part of this process as a supportive tool to

help summarise the coded data. The AI tool that was used operates within a closed, secure environment, with restricted external connectivity and strict safeguards to ensure data integrity and user privacy. AI was not used in the initial coding process, nor the in-depth assessment of the responses, but to identify themes and issues from the coded information. Quality assurance has been carried out to ensure the initial coding of the data and the final summaries are robust. This was conducted by senior analysts and policy specialists in Defra.

The review also received twenty-four voluntary submissions throughout the time of the review which were included in the coding exercise. These were received, in the main, before I published my open letters. The review also coded the notes taken from sixteen sector meetings to ensure that sectoral concerns and suggestions that had been put forward were considered in the round with other submissions. Annex [6.5](#) summarises the meetings held by me in support of this review.

The recommendations in my final report are based on a wide range of evidence, including the analysis of responses to the open letters.

## 6.5 Organisations met by Baroness Batters

Organisation	Type
Agriculture and Horticulture Development Board (AHDB)	Levy Board
Agriculture and Horticulture Development Board (AHDB) - Cereals and Oilseeds	Levy Board
Agriculture and Horticulture Development Board (AHDB) Beef & Lamb	Levy Board
Arable Chain Advisory Group (ACAG)	Trade Association coalition
BBSRC Executive Chair Biotechnical and Biological Sciences Research Council	Public Body
Bank of England	Finance
Banking Sector	Finance
Beef and Sheep Stakeholders	Industry Sector Group
Bord Bia	Foreign Government
Chief Scientific Adviser Department of Science, Innovation and Technology (DSIT)	Other Government Department
City St George's University	University
Country and Land Business Association (CLA)	Membership Organisation
Countryside Fund	Charity
Cranswick	Food Manufacturer
Cross Bench Peers Discussion	House of Lords
Dairy Industry Stakeholders	Industry Sector Group
Director of Teagasc	Foreign Government
Egg Sector Stakeholders	Industry Sector Group
En trade	Finance
Environment Agency	Non-Departmental Public Body
Esmee Fairbairn Foundation	Charity
F4 (BRC, FDF, NFU, UK Hospitality)	Trade Association
Farm Tenancy Forum	Joint Industry/Government Group
Farmers Weekly	Industry Press

Farming Community Network (FCN)	Charity
Food Data Transparency Partnership	Joint Industry/Government group
Food Foundation	Charity
Food Strategy Advisory Board	Joint Industry/Government group
Food and Drink Wholesale UK	Membership Organisation
Forestry Commission	Non-Ministerial Government Department
Game and Wildlife Conservation Trust (GWCT)	Charity
Green Alliance	Think Tank
Groceries Code Adjudicator	Independent Regulator
Harper Adams University	University
His Majesty's Treasury (HMT)	Other Government Department
Horticulture Sector Stakeholders	Industry Sector Group
Institute of Grocery Distribution	Charity
Lidl	Retailer
Livestock Chain Advisory Group (LCAG)	Trade Association coalition
Lloyds Bank	Finance
Marks & Spencer	Retailer
Marlow Ingredients	Wholesale supplier
Ministry for Primary Industries New Zealand	Foreign Government
Myton Food Group	Food Manufacturer
NFU Cymru	DA Membership Organisation
NFU Mutual	Insurance
NFU Scotland	DA Membership Organisation
NFU/CLA/TFA/CAAV/AIC	Membership Organisation
National Farmers Union (NFU)	Membership Organisation
Natural England	Non-Departmental Public Body
Nature Friendly Farming Network (NFFN)	Membership Organisation
National Pig Association	Membership Organisation

Oxtale	Public Relations
Pork Sector	Industry Sector Group
Poultry Stakeholders	Industry Sector Group
Red Tractor	Assurance Scheme
Rothamsted	Research Centre
Savills, Strutt & Parker, Brown & Co, Ceres Rural, Kite Consulting	Consultants
Scotland Food and Drink	Membership Organisation
Scottish Government	Devolved Administration
Shore Capital	Finance
Shore Capital Markets	Finance
Tenant Farmers Association (TFA)	Membership Organisation
Tesco UK	Retailer
The Future Governance Forum	Think Tank
The Institute for Agriculture and Horticulture (TIAH)	Non-profit Professional Body
The Mallows Company	UK Company
Transforming UK Food Systems (TUKFS)	Joint Industry/Government Group
UK Agri Tech Centre	Non-profit
UK Agricultural Export Finance	Other Government Department
UK Farm Assurance Review (UKFAR)	Review Board
UK Finance	Finance
UK Finance institutions (various banks)	Finance
Wildfarmed	Supply Chain Company

## 6.6 Letter to Farmers and Growers

### Farming Profitability Review - An open letter to farmers and growers

3 June 2025

I was pleased to be invited by the Secretary of State for Environment, Food and Rural Affairs, Steve Reed, to lead a review into the profitability of farming. As a fellow farmer and ex-President of the NFU, I don't need to tell you the vital role that farmers and growers play. Farms are fundamentally businesses that need to be able to make a profit. They are also homes to families and nearly 50% of farms in England are tenanted. I am determined to use this opportunity to provide meaningful recommendations to Government, food retailers, processors and manufacturers.

England has wide ranging and ambitious environmental, biodiversity and net gain targets and metrics. A key focus of my review, and the subsequent Food Strategy, Farming Roadmap and Land Use Framework, must be on how we can be equally ambitious for food and farming, whilst maintaining leadership in environmental stewardship.

I am intentionally taking a broad definition of profitability underpinned by **two core principles**:

1. Farms are businesses that produce an agricultural yield of some kind (per the Agriculture Act).
2. Farm income is the revenue generated by a farm after all expenses have been deducted. This is fundamental to farm viability and their ability to reinvest.

These factors do not sit solely within the control of farmers and growers, Government or the wider supply-chain so I must take a system-wide approach. I am under no illusions how complex this issue is with a wide range of views, interests and valuable input. To capture this, I see myself as a convenor for your views, opinions and expertise on the challenges you face, what the solutions could be, and what is needed to deliver them. I have, and will continue to, meet with as many interested groups as possible within my six-month appointment. I will also be joining Defra's sector groups over the summer to do this.

In advance of those meetings, I wanted to give you a little more detail of how I will be approaching my review. Firstly, I want to focus on a small number of impactful short, medium and long-term recommendations. I appreciate there will be multiple issues affecting farming at different levels and in different sectors, but I'm also conscious the recommendations must be viable with Government and others.

My ask of each of the sectors is to coalesce around:

1. **Three to four big barriers and/or opportunities** relating to profitability in your sector.



**2. Corresponding solutions to these issues.**

3. I would particularly welcome any **case studies to demonstrate the problems you identify as part of this process.**

Although I am open to listening to individual views, I have a limited term to conduct this work, and I am keen to have a clear understanding of sector-specific issues to ensure my recommendations hold weight. With this in mind, **I am asking farming and growing representative bodies and sector specific groups act as convenors to pull together views and put forward clear actionable proposals that I can in turn consider to help shape my recommendations.**

I want to be radical and have ‘blue sky thinking’ about what can be done differently. For every problem or issue, I want to encourage you to think “outside-the-box” on solutions to increase profitability in the sector. Having said that, the solutions must be deliverable in the world that we live in, not the world we’d like to live in. They cannot therefore be limited to Government action or interventions alone as they need to be deliverable in the tight fiscal environment this Government is operating in. As such the solutions must also include what the sector and supply chain can do differently. The review is a rare opportunity to step back and think about how everyone can shape the future for their sector.

I’m operating to a tight timescale and looking to present my report with recommendations to the Secretary of State in early October. Can I therefore **request your papers be sent to: [farmingprofitabilityreview@defra.gov.uk](mailto:farmingprofitabilityreview@defra.gov.uk) by Friday 11th July at the latest**, so I can give them due consideration.

Finally, I would like to thank you in advance for your support. I couldn’t do it without bringing in the incredible expertise that already exists.



**Baroness Minette Batters**

[farmingprofitabilityreview@defra.gov.uk](mailto:farmingprofitabilityreview@defra.gov.uk)

## 6.7 Letter to the Supply Chain

### Farming Profitability Review – open letter to retailers, hospitality, manufacturers and wholesalers

17 June 2025

I was pleased to be invited by the Secretary of State for Environment, Food and Rural Affairs, Steve Reed, to lead a review into the profitability of farming. Farming is the foundation of supply chains and ensuring we have a more viable, self-sustaining and competitive industry is in all our interests. Farmers produce the Nation's food, underpin the rural economy and deliver so much for the environment.

I am intentionally taking a broad definition of profitability underpinned by **two core principles**:

1. Farms are businesses that produce an agricultural yield of some kind (per the Agriculture Act).
2. Farm income is the revenue generated by a farm after all expenses have been deducted. This is fundamental to farm viability and their ability to reinvest.

I am under no illusions how complex both farming profitability and the supply chain is, with a wide range of views, interests and valuable input. To capture this, I see myself as a convenor for all views, opinions and expertise on where the opportunities and challenges sit. I have met, and will continue to, meet with as many interested groups as possible within my six-month appointment.

There will be a lot of things farmers and growers can do to affect their profitability, and I have written to them for their views and ideas. The supply chain equally has a role to play in supporting British raw ingredients, and I must take a system-wide approach. This is recognised in my terms of reference that ask me to consider how the supply chain can support farm profitability; such as through greater transparency, cooperation and ensuring a fairer distribution of risks, rewards and responsibilities. This includes looking at international examples on the role of partnership working with Government and industry across the supply chain, and I would particularly appreciate your views on this.

In advance of meetings, I wanted to give you a little more detail of how I will be approaching my review. Firstly, I want to focus on a small number of impactful short, medium and long-term recommendations. Secondly, although I am open to listening to individual views, I have a limited term to conduct this work, and I am keen to have a clear understanding of issues to ensure my recommendations hold weight. With this in mind, **I am asking representative bodies to act as convenors to pull together views and put forward clear actionable proposals that I can in turn consider to help shape my recommendations.**

I want to be radical and have “blue sky” thinking about what can be done differently with “outside-the-box” thinking on solutions. This should go beyond our work on supply chain fairness that is implementing the Fair Dealings powers in the Agriculture Act.

Having said that, the solutions must be deliverable in the world that we live in, not the world we'd like to live in. They cannot therefore be limited to Government action or interventions, but also what farmers/growers and the supply chain can do differently. The review is a rare opportunity to step back and think about how everyone can shape the future of farming.

I'm operating to a tight timescale and looking to present my report with recommendations to the Secretary of State in early October. Can I therefore **request your papers be sent to: [farmingprofitabilityreview@defra.gov.uk](mailto:farmingprofitabilityreview@defra.gov.uk) by Friday 18 July at the latest**, so I can give them due consideration.

Finally, I would like to thank you in advance for your support. I couldn't do it without bringing in the incredible expertise that already exists.

A handwritten signature in black ink, appearing to read 'Minette Batters', written in a cursive style.

Baroness Minette Batters

[farmingprofitabilityreview@defra.gov.uk](mailto:farmingprofitabilityreview@defra.gov.uk)

## 6.8 Collated Responses

Organisation	Type
Agriculture & Horticulture Devel Board - AHDB	Trade Association
Basic Income for Farmers	Think Tank/Lobbyist
British Egg Industry Council - BEIC & British Free Range Egg Producers Association - BFREPA	Trade Association
British Growers	Trade Association
British On-Farm Innovation Network - BOFIN	Network/Cluster
British Retail Consortium - BRC	Trade Association
British Society of Plant Breeders - BSPB	Membership Organisation
Buckinghamshire Business First	Network/Cluster
Central Assoc of Agricultural Valuers - CAAV	Trade Body
Dairy UK	Trade Association
Director Grounded Research	Market Research
Farm Tenancy Forum	Membership Organisation
Food and Drink Federation - FDF	Trade Association
Food Farming & Countryside Commission	NGO
Future Food Movement	Network/Cluster
GB potatoes	Trade Association
Kent & Medway Fresh Food Growers/Horticultural Group	Network/Cluster
Marks & Spencer	Retail
National Beef Assoc - NBA	Membership Organisation
National Farmers Union - NFU	Membership Organisation
National Federation of Young Farmers Clubs - NFYFC -	Youth Organisation
Nethergill Associates	Consultant
Royal Agricultural Benevolent Fund - RABI	NGO
Rural Design Centre and Northumberland Council - RDC	Local Authority
Soil Association	NGO
Surrey Wildlife Trust	NGO
The Institute for Agriculture and Horticulture - TIAH	Professional Body

## 6.9 Evidence Submitted to the Review

Author	Date Published	Title
AHDB	No Date (ND)	Characteristics of top-performing farms 2024
AHDB	ND	Developing a Circular Economy for UK Pig Production through Green Ammonia (PigProGram)
AHDB	ND	Pork: Cost of production and performance
AHDB	ND	Prospects for UK Agri-food exports
AHDB/Harper Adams	2025	An examination of how adherence to agri-environmental schemes and the emerging biodiversity and carbon credit markets is affecting farm resilience
AIMS	2025	Briefing Document: FSA's Proposed Increases to Charges for Official Controls in Slaughterhouses
Anglo American	ND	Woodsmith Polyhalite Fertiliser Mine
Australian Government	2013	Sweet Sorghum - Opportunities for a new, renewable fuel and food industry in Australia
Australian Government	2020	Analysis of Government support for Australian agricultural producers
Australian Government	2022	Agriculture in Australia - understanding the recent success
Australian Government	2022	Reshaping agricultural support to build a competitive agricultural sector
Australian Government	2025	Addressing environmental harm: Reforming agricultural support
Barclays Bank	2024	Creating New Nature Markets that Work for Farmers - The Opportunity of Biodiversity Net Gain
Barclays Bank	2025	Agritech: supporting the future of farming - How public policy can accelerate Agritech development and deployment, driving a more sustainable agriculture sector
Brown & Co	2025	The Great Agricultural Gamble - A review of the effect of Government policy on farm business strategy
CAAV	2025	DRAFT - Taxation - Agricultural Productivity and Land Occupation - The Irish Republic's Use of Income Tax Relief to Promote the Letting of Farmland: Experience and Lessons for the United Kingdom
CAAV	2025	Positive Action for the Farming Economy. CAAV submission for the March 2025 Spring Statement

Dr Hannah Fraser	2025	Displacing Empty Calories with Nutrient Dense Food: How can UK farmers be rewarded for practices that promote nutrient density?
Dr Joanne Holmes	ND	Nutrition and the diet of the healthy farmer - risks and solutions
Food and Agriculture Organization of the United Nations	2005	An Introduction to Horticultural Marketing
Green Alliance	2023	Farming for the future - How paying for public goods can create a thriving rural economy
Green Alliance	2024	Briefing: Growing nature markets in the UK
Green Alliance	2024	How to increase private investment in nature
Green Alliance	2025	Farming at a crossroads - How farmers are navigating the agricultural transition
Green Alliance	2025	Written evidence submitted to the Treasury Select Committee Inquiry into the National Wealth Fund
Leprino Foods	ND	Dairy Lean Management - A programme of on farm efficiency support for dairy farmers in the UK
Lloyd's Banking Group	2024	Grounded in Evidence - A way forward for British Farms
Lloyd's Banking Group	2025	UK Agriculture: A Resilient Future
New Zealand Government	ND	MPI Action Plan 2025 - 2026
NFFN	ND	Nature Means Business - Establishing the balance between food production and improving nature
NFFN/The Wildlife Trusts	2023	Farming at the sweet spot - How farming with nature can make you happier, healthier and wealthier
NFU	ND	Commerce and International Trade - Our Blueprints for Growth
NFU	ND	Environment and Climate Change - Our Blueprints for Growth
NFU	ND	Investment and Innovation - Our Blueprints for Growth
NFU	ND	Resilience - Our Blueprints for Growth
NFYFC	2023	Sustainable Futures Report 2023
NI Assembly	2024	Farm Welfare Bill (Northern Ireland)
NSA	2020	Industry Proposal: Skin on Sheep Meat
Paul Gosling	2024	Farming - On Life Support



Professor Lisa Jack	2021	The Secrets of Supermarketing: A model balanced on a knife edge
Professor Lisa Jack	2023	Discounts as a Barrier to Change in Our Food Systems
Professor Lisa Jack et al	2018	Accounting, performance measurement and fairness in UK fresh produce supply networks. Accounting, Organizations and Society
Professor Paul Wilson	2015	Rural Business Research
PwC	2025	The Value of Food Processing Clusters - From Farm to Future
Soil Association Exchange	ND	Banking for Change - Addressing financial risk as a barrier to farm transition
Supply Intelligence Ltd	2016	World Agricultural Prospects - The Road to 2050
Sustain	2022	Unpicking Food Prices: Where does your food pound go, and why do farmers get so little?
Sustain	2023	Half of UK fruit and veg farmers fear closure due to supermarket buying behaviour
Sustain	2024	Joint Briefing on supply chain fairness by the Groceries Code Action Network
The Andersons Centre	2025	UK Agricultural Outlook and Food Security Analysis
The Andersons Centre	2025	UK Agricultural Outlook and Food Security Analysis - Summary Report
The Wildlife Trusts	2025	Food and Farming in the Nature and Climate Crises
UK Oilseeds Group	ND	Sector Information Document

## 7 Case Studies

### 7.1 Agricultural Productivity Group: Soil Health

Date: 6<sup>th</sup> October 2025

Dear Minette

#### **Agriculture Productivity Group**

On behalf of the Agricultural Productivity Group (APG), thank you for the opportunity to engage on the question of how soil health can support farmer profitability. Your review is a great opportunity to bring this issue into focus.

Soil is a complex ecosystem and the dominant growing medium for the world's food supply. Its 'health' is grounded in the physical, chemical and biological condition of soil, determining its capacity to support multi-functional outcomes for commercial food and fibre production, climate resilience and public goods e.g. water holding capacity, carbon storage etc.

The UK has a diversity of soil types, which in combination with regional climate and local market demands shapes the resulting farming system. As such, soil health and its metrics can mean different things to different people. However, irrespective of the farming system, our soils functionality and resilience are foundational to agricultural production and farm business resilience.

In response to a range of pressures, this intuitive link has become strained, with long-term soil health too easily neglected in recent decades rather than managed as a critical asset and part of our national infrastructure. This has resulted in degradation, diminishing many of our soils intrinsic capacity to support farmers' bottom line and ecosystem services over time, whilst elevating the need for supplementary nutrient inputs and their associated costs for farmers.

Whilst soil degradation can be quick to take effect, the benefits and impact of efforts to transition practices and improve soil health take time to be realised. Recognition of this long-term perspective must be factored into the Farming Profitability Review without diminishing the need and opportunity to enable farmers to take vital action on soil health as an investment to support more stable, resilient, healthier and productive outcomes.

To help inform the APG's position, we thank members of the Defra Soils Team who provided a welcome overview of work underway in England as part of the Government's Environmental Improvement Plan Commitment<sup>6</sup>, and in response to the significant body of evidence gathered by the 2023 Environment, Food and Rural Affairs Committee Soil Health Enquiry<sup>7</sup>.

This includes, for example:

- Establishing a 'soil health indicator' under the 25 Year Environment Plan Outcome Indicator Framework, with publication of an 'interim statistic' anticipated in 2026<sup>8</sup>; and,
- Through the Natural Capital and Ecosystem Assessment Programme, delivering a

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<sup>6</sup> [Environmental Improvement Plan 2023 - GOV.UK](#)

<sup>7</sup> [Soil Health - Committees - UK Parliament](#)

<sup>8</sup> Harris et al., 2025. 25 Year Environment Plan Outcome Indicator E7: Healthy soils – proposed methodology for a soil health indicator for England. *JNCC Report 793*. [25 Year Environment Plan Outcome Indicator E7: Healthy soils – proposed method for a soil health indicator for England | JNCC Resource Hub](#)

baseline map of soil health for England to be published by 2028.

The APG also sought, again with thanks, input from a number of national soil health specialists (Annex 1) to offer independent insight, challenge and assurance to the guidance provided.

Collectively, these discussions have drawn attention to the significant number of soil health measurement and assessments initiatives in the UK. The Sustainable Soils Alliance identified 34 schemes/initiatives, with at least 22 specifying metrics, and 13 offering sampling protocols for farmers to use, relative to specific objectives<sup>9</sup>.

Whilst this crowded landscape presents challenges, and we would encourage greater consistency across these schemes wherever possible relative to intended outcomes, the APG does not consider it appropriate to advise on a single universal, standardised ‘set’ of metrics, but however supports the adoption of four common principles:

**Principle 1.** Soil health involves physical, chemical and biological components, and this requires that metrics cover these three components, appropriate to the soil type and land use.

**Principle 2.** For soil health metrics to be useful at field and farm scale they need to be, at least in the first instance, relatively simple, affordable and not excessively demanding of time and effort, and deliver easily understood outputs that can guide decisions.

**Principle 3.** The best approaches for practical use will involve consistent application (recognising, for example, seasonal variability), making the minimal number of different tests required to guide assessment of soil health and field management decisions.

**Principle 4.** Metrics must be easily connected with tangible on-farm commercial outcomes, but the effects of soil health on productivity should be assessed by margin relative to input-output rates rather than focusing on yield or total output. This is a more economically and environmentally meaningful measure of both overall production efficiency and profitability and is likely to show more meaningful relationship with better soil health. Soil health is explicitly linked to nutrient management and use efficiency as a key theme of productivity.

Aligned to these principles, the APG would also recommend the following to help equip farm businesses to make more informed decisions about what can be done to support their soil health.

***Recommendation 1: Encourage uptake of soil health assessment programmes, with the AHDB Soil Health Scorecard acknowledged as a leading approach for farmers to initiate engagement with their soil health and its improvement over time.***

Soil health assessment programmes can offer an important tool from which to act. The AHDB Soil Health Scorecard, as a leading example and readily accessible entry point, is robust, engaging and revisitable, enabling business-specific baselining and monitoring across a range of attributes over time. It is essential that farmers can build a long-term, objective picture and business narrative to justify their continued investment into improving soil health, and to derive the greatest business benefit. Assessment programmes represent an important resource to help achieve this.

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<sup>9</sup> [A Review of Soil Health Measurement and Assessment Initiatives in the UK - LUNZ Hub](#)

The APG recognises that these tools are not static and ongoing development of the AHDB Soil Health Scorecard toolkit is welcomed, such as the addition of an ‘interim measurement’ between full rotational assessments, aiming to enable earlier farmer assurance that management changes are heading in the right direction, and future potential to look at additional subsoil assessment. Initiating farmer consideration and discussion of their soil health data is key, which can of course lead to more bespoke testing subject to business needs and appetite.

The APG would also welcome greater future opportunity for soil health assessment data to be shared and accessible on a voluntary and appropriately managed basis, enhancing opportunities to draw insight from the experience and benefits achieved across equivalent farming systems.

***Recommendation 2: Enhance a joined-up approach to soil health education and knowledge exchange programmes, driving uptake by land managers and their advisors that results in tangible commercial outcomes.***

Driving UK soil health education and knowledge exchange programme uptake is fundamental to providing the opportunity to achieve a more resilient long-term bottom line for farmers through soil health action. It is striking that many retain only a basic recognition and understanding of soil health. For example, a recent international study by Falcao *et al.*, 2024<sup>10</sup>, that included farmers from the UK, showed that 98% of those surveyed consider soil health an important issue, but 78% do not analyse parameters related to soil health on farm. Education and knowledge exchange is foundational to equipping farmers with the skills necessary for a transition towards an objective, data - driven approach to soil health monitoring and improvement.

The APG recognises that a blended approach is crucial to driving effective engagement in this space, and welcome for example, The Institute for Agriculture and Horticulture’s forward commitment as a contributing APG member to supporting digital resource provision for soil health learning and development.

Government should be encouraged to further consider its role and support in enriching a blended approach to soil health education and knowledge, including helping to enable hands-on and peer-to-peer learning and guidance across basic, good and advanced soil health assessment applied to different systems. An example of existing good practice may be drawn from Catchment Sensitive Farming Advisors<sup>11</sup>, that offer soil health visits and are trained with the AHDB Soil Health Scorecard to support farmers, whilst enabling them to make the best decisions for themselves, but broadly, and in agreement with 2023 Environment, Food and Rural Affairs Committee Soil Health Enquiry recommendations, there remains opportunity for Government education and skills support to go further. This could include for example, additional collaboration with the agricultural colleges.

The APG’s recommendations have proposed to focus on equipping farmers with the foundational tools to engage with their soil health, and to make better informed business-led decisions rather than considering it appropriate to offer the ‘silver bullet’ of a universal standardised approach to soil health measurement. Implementation of these recommendations is likely to deliver direct

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<sup>10</sup> Falcão *et al.*, 2024. Farmers' perception of soil health: The use of quality data and its implication for farm management. *Soil Use and Management*, 40, e13023. <https://doi.org/10.1111/sum.13023>

<sup>11</sup> [Farming Advice Service](#)

benefits to participating farm businesses long-term profitability and resilience of agricultural production but may also help to unlock or maximise further opportunities for incentivising rewards through for example, Environmental Land Management Scheme or carbon removal activities. Collectively and where appropriate, APG member organisations are committed to supporting recommendation delivery through our own organisational activity.

On behalf of the APG, we hope that the information and recommendations provided prove helpful in delivering the Farming Profitability Review, and we look forward to seeing this in due course. If the APG can be of any further assistance, we would be delighted to support in any way possible.

Yours sincerely



David Exwood

Co-Chair of the Agriculture Productivity Group

## **Annex 1: Industry Contributors**

### ***Agricultural Productivity Group Members***

- David Exwood, National Farmers Union (APG Co-Chair)
- Sarah Bradbury, Institute of Grocery Distribution
- Belinda Clarke, Agri-TechE
- Andy Cureton, Innovate UK
- Jill Hewitt, National Association of Agricultural Contractors
- Stephen Jacob, The Institute for Agriculture & Horticulture
- James McCluggage, Ulster Farmers Union
- Jeremy Moody, Central Association for Agricultural Valuers
- Sarah Palmer, National Federation of Young Farmer's Clubs
- Hannah Senior, UK Agri-Tech Centre
- Robert Sheasby, Agricultural Industries Confederation
- Lynette Steel, Tenant Farmers Association
- Gail Soutar, National Farmers Union
- Susan Twining, Countryside Land & Business Association
- Graham Wilkinson, Agriculture & Horticulture Development Board

### ***Additional Industry and Specialist Contributors***

- John Gilliland, NI Soil Nutrient Health Scheme/Arc Zero/EU Soil Mission
- Chris Gooderham, Agriculture & Horticulture Development Board
- Maddie Harris, Joint Nature Conservation Committee

- Sarah Haynes, Institute of Grocery Distribution
- Tess Howe, The Institute for Agriculture & Horticulture
- Harry Langford, UK Agri-Tech Centre
- Jonathan Leake, University of Sheffield
- Grace O’Gorman, UK Agri-Tech Centre
- Andrew Pearson, Agricultural Industries Confederation
- Lizzie Sagoo, ADAS
- Pete Smith, University of Aberdeen
- Elizabeth Stockdale, National Institute of Agricultural Botany
- Jack Watts, National Farmers Union

## 7.2 Case Study – Provision of School Food in Bath and NE Somerset

**Purchasing body:** Bath & North East Somerset Council (B&NES)

**Contract:** Provision of fresh produce to make 7,000 meals per day

**Awarded:** August 2016

**Savings:** 6% saving on the previous contract (taking inflation into account), 6.01 tons of CO<sub>2</sub> emissions saved/year

### Summary

- Provision of fresh meat, fruit and vegetables to schools within B&NES
- Increased use of suppliers and producers in the region to provide healthy and sustainable products
- Transparent, short supply chains back to source production enabled greater informed choices and granular management information for the council
- Consolidated farm fulfilment and customer delivery system to reduce food miles
- Agent; (ii) Dynamic Purchasing System contract length – five years
- Value of £700,000 per annum

### 1 Procurement Approach

The contract was for the provision of fresh meat, fruit and vegetables into schools, some nursery schools and a meals on wheels service within B&NES. Meals at the schools were cooked and provided by the local authority’s Catering Service and cooked fresh on a daily basis. A number of schools did not have kitchens and, in these cases, schools with larger kitchens acted as ‘hub’ kitchens, cooking and delivering the meals to the kitchen-less schools. Over 7,000 meals were cooked daily.

The existing contract the new arrangement replaced was let as five lots covering



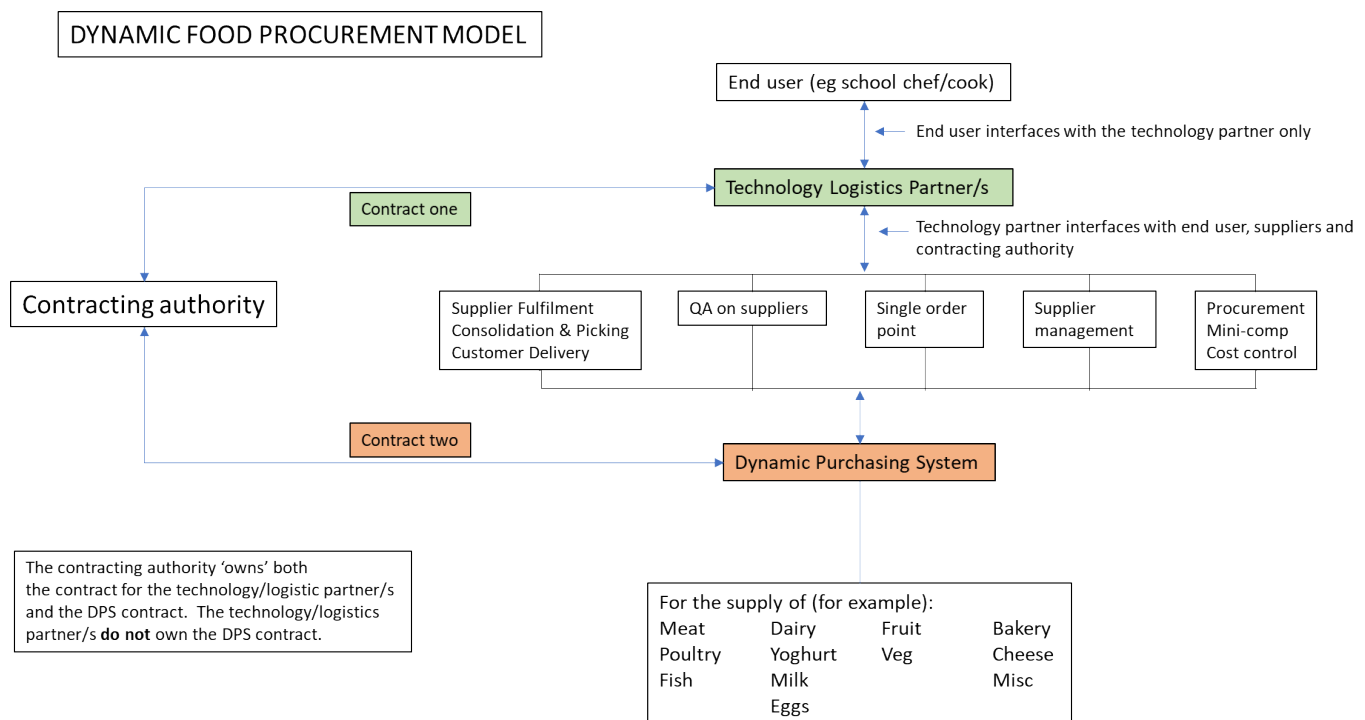
different categories of produce and dry/ambient goods, with a single supplier for each lot. It was initially anticipated that the new contract would be let on a similar basis. However, for various reasons the type of the contract that was let was radically different from the original concept. The new procurement approach became known as the 'B&NES model' which later led to the concept of the Dynamic Food Procurement (DFP) model.

The reasons for the change in approach were fourfold:

1. B&NES launched its Local Food Strategy in March 2015. This was a council-wide strategy encouraging an increased uptake of healthy and sustainable food, supporting producers and suppliers in the B&NES area, and acknowledging that public sector procurement had a clear role in supporting and delivering the Strategy's aims.
2. The key priority of the over-arching procurement strategy was to encourage procurement from suppliers in the B&NES area (where legally compliant and possible).
3. It was clear that the opportunity to re-let the contract would provide the ideal opportunity to support the two strategies with the outcome that more healthy, sustainable and seasonal food could be provided to the schools whilst providing increased opportunities to suppliers and producers in the region.
4. The B&NES Catering Service had been awarded the Soil Association Food for Life Served Here (FFLSH) Silver award. In order to retain the award, they needed access to sustainable and organic produce. The way in which the new contract was set up supported this requirement.

## **2 The Procurement Model**

The contract was broken into two elements. Firstly, a pilot partnership agreement with an organisation that undertook order consolidation and delivery, and who had extensive knowledge of suppliers and producers in the region (the Agent) and were B&NES's technology and logistics partner. Secondly, a Dynamic Purchasing System (DPS) with producers and suppliers. B&NES owned both contracts. See diagram below.



- 1 **The pilot partnership agreement with the Agent:** It had been decided to make this arrangement a pilot one as, within food procurement, this way of working had not been tried before. Following extensive market engagement (see later section) and legal consideration, B&NES appointed Fresh-range as the Agent and then both parties co-created the optimum solution, identifying the Agent's roles and responsibilities and identified how a tech platform could and should work to achieve the desired goals. This collaboration was critical for both sides to identify fully what was needed and how it could be delivered.
- 2 **The Dynamic Purchasing System:** A DPS is similar to a framework contract with multiple suppliers but, unlike a framework contract, it allows for new suppliers to join at any time, provided they meet the established selection criteria. One of the key advantages of a DPS is that potential suppliers can apply, and are actively encouraged, to join as and when they are able to do so, rather than having to join at the start of the contract period. It allows for the "s" part of SMEs to tender for a public sector contract as they are not expected or required to fulfil the total value of the contract. Using a DPS in combination with tech agent support enables suppliers to supply what, when and how they are able to produce.

In order to get on to the DPS potential suppliers had to go through the pre-qualification procedure. In this instance, this documentation included the mandatory procurement regulation and legal requirements, quality requirements, etc. However, pricing was not considered at this stage.

Once on the DPS, suppliers participated in mini-competitions on the products they wished to tender for. This enabled large and small suppliers to compete alongside one another in the marketplace. It meant small producers, that for example, only sought to supply one product, could tender without being obliged to supply the whole lot.

Learnings around which products to fix pricing on for the duration of the mini-competition and which products to allow fully dynamic daily pricing updates by the suppliers could be allocated. The technology and management agent's platform enabled some products to have daily dynamic pricing and some to be fixed. The agent ensured that the mini-competition was a DPS regulation compliant, sealed, blind bid process for each product category within the lot. The agent then worked collaboratively with the catering manager to rank each supplier for each product and draw a cut line for which suppliers to list on the stores and which to omit – by individual product category.

Once the contracts were in place, the school cooks and chefs ordered directly via the online platform with one order, rather than placing orders with individual suppliers. In turn, they received one consolidated delivery again rather than different deliveries from multiple suppliers.

### **3 Market Engagement**

The approach taken to establish the procurement model was driven by (a) the authority's priorities (see section 1) and (b) the extensive market engagement that was undertaken at the pre-tender stage.

The initial event was held in March 2015. Following the event, it was clear that an alternative, non-traditional approach should be considered if the authority was to fulfil its obligations under the Local Food Strategy and the Procurement Strategy, and to deliver a contract that was fit for purpose, one that producers and suppliers could support and engage with, and one that suited the end users – the school caterers.

The market engagement was conducted over a relatively long period of time and included a range of face-to-face meetings and events, individually and in groups. Suppliers included not only food producers but also tech and logistics providers. The final session was to introduce the procurement documentation to the potential suppliers to ensure that they fully understood what B&NES were looking for and what the suppliers needed to do. There was further engagement with potential suppliers on as-needed basis.

B&NES strongly believed (and still do) that this robust engagement with the market was key to defining the procurement approach, and to the success of the contract once in place.

Overall, the market response to the proposed procurement route was positive. The DPS would allow smaller producers and suppliers to provide the public sector with produce and this opportunity was definitely appreciated. There was still concern that the qualifying document was bureaucratic and long-winded; this was despite B&NES's best efforts to keep it as simple as possible. This made some potential suppliers a little reticent about completing it. However, part of the market engagement process was to assist potential suppliers through this process which definitely helped. It also gave the B&NES procurement team an opportunity to understand 'on the ground' barriers (perceived or real) for small providers.

### **4 Accreditations**

The pre-qualification requirements included a requirement for various standards and accreditations. For example, the minimum requirements included:

- UK Red Tractor (for meat)
- UK Lion Mark (eggs)

Suppliers were invited to include other certification schemes and food safety schemes in their responses, such as:

- SALSA
- BCR Global Standard
- Organic certification
- Leaf Marque
- RSPCA Assured
- Fairtrade, Rainforest Alliance
- etc

These were not set as minimum standards (although they might have been in a later iteration of this procurement arrangement) but products that carried them were clearly marked on the platform to encourage schools to purchase them.

## **5 Costs**

The procurement team were given the go-head to adopt this procurement approach on the basis that costs would not significantly increase. In the end, after inflation, the contract realised 6% savings on the previous contract.

This was achieved through a variety of means and at no time were unrealistic or unprofitable prices demanded from the suppliers.

- Due to the online ordering (rather than the previous telephone ordering) cost of product was very clear and it also removed the upselling by a contractor which often happens when orders are placed by telephone.
- Management information was easily, readily and speedily available, something the catering service did not have in place before.
- Should products become unrealistically expensive, they could be delisted, and appropriate substitutes be made. For example, school cooks were making vegetarian lasagna in January using imported aubergines and courgettes which came from Spain. Spain had a particularly bad cold spell which meant produce became inordinately expensive. The Spanish produce was delisted, and the school cooks made the lasagna with much cheaper organic Cavolo Nero which was grown by a farmer close to Bath.
- Substituting different cuts of meat also reduced costs. For example, chicken breast was the default cut of chicken; in some instances this was substituted with organic chicken thighs that were cheaper than the free-range chicken breast. The additional benefit of this (and the organic kale) was that it supported their FFLSH Silver accreditation.

- Delivery was one or two set days and times (as agreed with the schools) a week and emergency orders were actively discouraged. This meant that the school had to plan their orders more effectively.

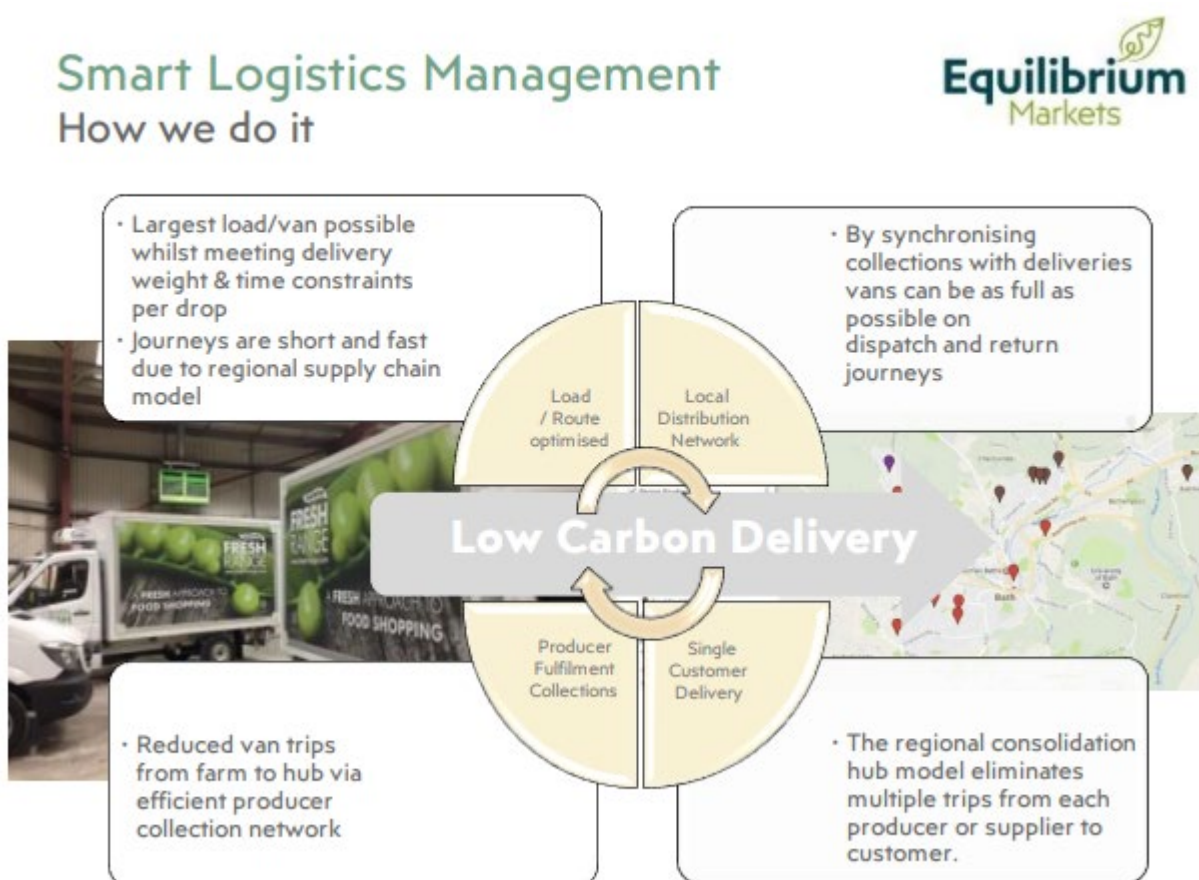
## **6 Additional Benefits**

- Carbon emission reduction was not specified as an objective in the tender documents. However, a carbon emission reduction calculation was performed retrospectively solely on the customer delivery element of the contract - 6.01 tonnes of carbon were saved per annum. See figure (i) on how this was achieved. If baseline data had existed for the fulfilment logistics required from farm to hub or customer, then further carbon savings would likely have been identified. The scope 3 emissions associated with the production approach taken was not reviewed on this contract. Whilst the short supply chains improved transparency on this contract, it would not be possible to establish a baseline as too little was known about food production approaches in the past.
- Local producers were on the contract, resulting in supporting the local economy, jobs and skills.
- School cooks had to order on tablets; they were provided with high spec tablets, training and could use them for their own use. Some of the cooks had not used PC or tablet before so this meant that they became more digitally aware.

## **7 Lessons Learnt**

- Do take the time to fully think through a procurement approach. B&NES allowed 18 months from initial market engagement to awarding the DPS and, whilst it could have been done a bit faster, this allowed for all avenues to be explored.
- Do get the market on board – face-to-face market engagement was crucial to the way this contract was let.
- Do make the procurement documentation as simple as possible whilst remaining legally compliant; even if it has been simplified, go back through it and simplify it again.
- Do get all your stakeholders on board very early in the process, including senior leaders and other authorities.
- Don't ignore what is happening in the day-to-day operations of potential suppliers. A number of meat producers/suppliers are based on mixed farms (i.e. farming arable and livestock). In order to have the DPS in place for the start of the new school year in September 2016, B&NES asked for DPS documentation to be returned in July/August which is peak harvesting season for arable crops. Accordingly, some farmers simply did not have the time to complete the initial DPS paperwork and had to wait until the next round. This was frustrating for them and resulted in a lack of responses for the initial DPS.
- This is an approach that could be replicated across the regions. It relies on the agency organisation to understand the supply market as much of the contract's success relies on their relationship with the suppliers and with the schools ordering the produce. It allows for small suppliers to be part of public sector procurement without relying on a large contract, at the same time giving them time to expand to meet growing demand if necessary.
- For a collaborative approach to work, it means that neighbouring authorities

need to work together both at identifying their needs but also to ensure that their relevant strategies are aligned for a common purpose.



(figure (i))

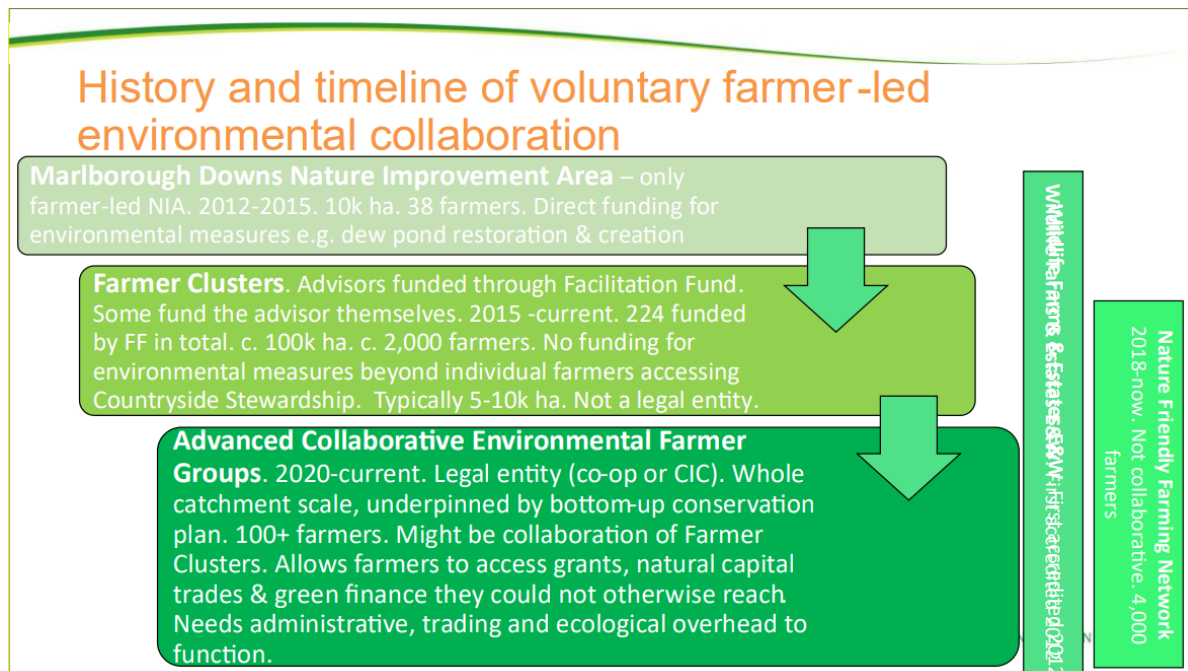
Dynamic Food Procurement National Advisory Board ([www.dynamicfood.org](http://www.dynamicfood.org))  
April 2021

See also [Groundbreaking School Food Procurement Pilot \(BANES Case Study May 2024\), Equilibrium Markets](#)

## 7.3 Case Study – Farm Environmental Delivery Groups offer to society



## History of environmental farmer collaboration



### What are FED Groups?

#### **A common vision;**

Farmers harnessing scale and member cooperation to secure the best **environmental results** for **fair reward** in balance with society's need for **food security** and sustainable **energy production**.



Biodiversity and  
species recovery



Managing Water  
Quantity and Quality



Net carbon zero  
farming by 2040

#### *Specifically:*

- Large groups of farmers collaborating at landscape or catchment scale to deliver ambitious environmental outcomes that can 'meet & beat' EIP2023 targets.
- Originally formed in 2020 in response to winding down of BPS and farmers needing to seek reward for delivering environmental goods and services.
- Underpinned by bottom-up conservation plan; aggregating individual farm plans

makes this a 'to do list' plan not a 'wish list plan.'

- Allows farmers to access grants, natural capital trades and green finance they could not otherwise reach.
- Do have legal entity, usually farmer co-operative or CIC. Needs administrative, trading and ecological overhead to function.

### **FED Group values**

1. Bottom-up and farmer-led.
2. Committed to improving environment *whilst* continuing to produce food.
3. Looking for fair reward for delivery of natural capital goods and services.
4. Use collaboration to create a coordinated nature recovery at landscape scale but leaving each farmer in control of their own farm.

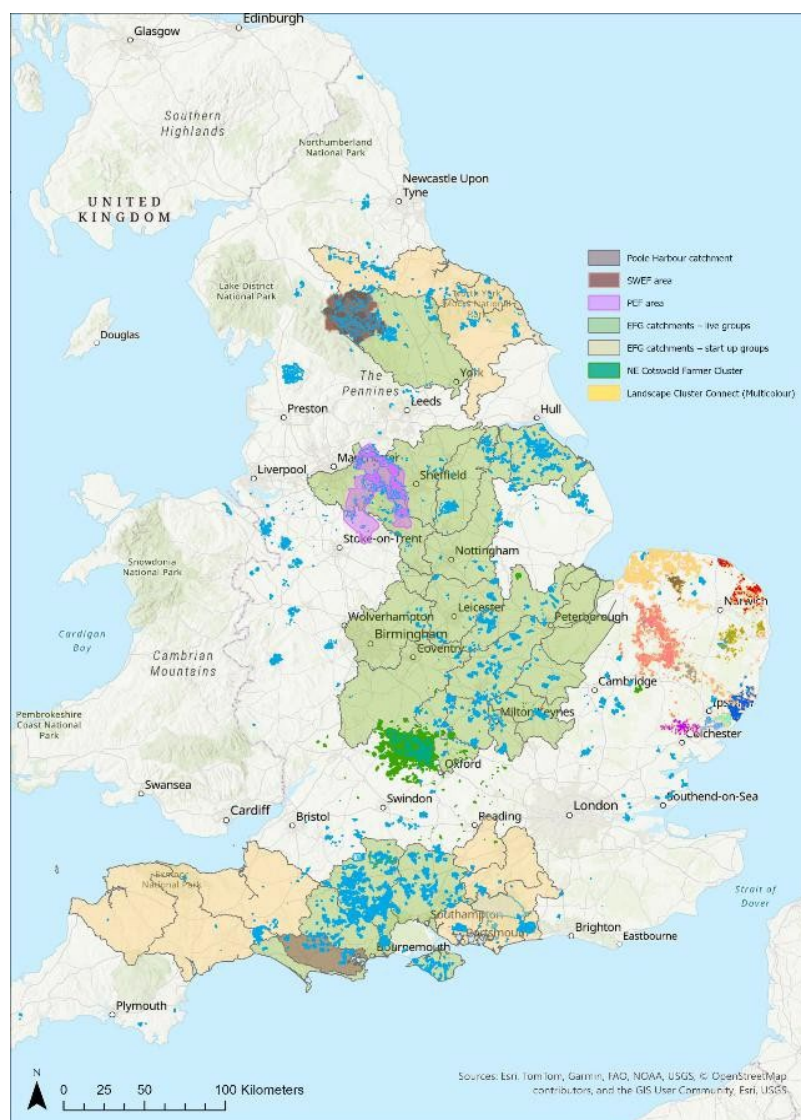
### **Benefits to Farmer Members**

*When established...*

- Sharing costs associated with professional expertise and fees, equipment, data/monitoring and labour.
- Profit sharing – where operational - an equalisation formula means all members can benefit from the scale and pace they are creating as each project and resultant trade completes.
- Access to natural capital trades and funding streams for sustainable farming and environmental delivery (not readily available to individual farmers).
- Skills building - direct peer-to-peer learning and professional learning.
- Retained control of land and assets.
- Reduced individual risk.

**Ultimately, FED Groups make sustainable farming and nature recovery projects easier and more profitable for farmer members.**

## Map of existing known FED groups (not exhaustive)



## Offer and outcomes for society

### ***Value for our Rural Communities...***

- **New jobs in rural areas** e.g. ecologists, legal, financial consultancy and career paths unique to groups e.g. facilitators, grant bid writers, leadership and farmers as contractors creating environmental features (contribution to rural circular economy).
- **Community inclusion, physical and mental health and wellbeing.** The FED Groups will provide the opportunity for local community engagement, events such as river walks, farm tours, dawn chorus walks especially as groups develop, and farmers become more confident. As these links deepen the opportunity for more permissive community access to nature and environment grows naturally.
- **Environmental NGO inclusion.** The farmers want to develop their own conservation plans for their own farms but willingly seek advice from eNGOs as they

would any other advice like agronomy and nutrition.

- **Efficient and effective access to natural capital supply.** These groups make it simple for natural capital investors to find a single source of supply in sufficient scale to make an effective market for the offsetting of environmental impacts and dependencies of society on nature (through industry etc)
- **Provides scale, professionalism and pace of delivery** for public and private investment in rural stewardship as all the country can and should be involved.

### ***Value for our food production...***

- Supports regenerative agriculture at scale.
- Can support much of the “heavy lifting” required to plan and execute the right long term land use for the right land types e.g. woodland planting.
- The joint aims of food production and ambitious environmental outcomes lead to farmers finding better ways to work with nature and create more opportunities for nature to thrive alongside food production.

### ***Value for our natural environment...***

- Cohesive, planned and large-scale approach to nature recovery, underpinned by a bottom-up catchment-scale conservation plan which aggregates many individual farm plans. This makes it a nature recovery a ‘to do list plan’ not a ‘wish list.’
- Multi-generational commitment to nature recovery. Our experience is that farming families commit over generations to these nature recovery plans. Tackles the problem of ‘rented’ environmental outcomes.
- Best opportunity (possibly only) chance we can see of actually meeting nature recovery targets, of changing the slope of the graph from decline to recovery
- Specific and targeted delivery of BNG, improved water quality and species recovery. By working together, a group can deliver whole river restoration, BNG that is linked (rather than dots on a map).

### **Barriers to expanding the network:**

- **Significant initial upfront costs** to establish a formal partnership £100-250+k.
- **Long lead times until collaborative groups deliver returns for members** – particularly seen as a challenge in the Uplands.
- **Converting committed farmers to subscription-paying members** ahead of there being a return from providing natural capital. Especially in the uplands, farmers cannot afford the subscription without an immediate return.
- **Attracting the ‘hard to reach’ farmers.** The ‘kitchen table’ approach is key to this.
- **Uncertain and changing policy** e.g. recent switch under Planning & Infrastructure Bill from BNG trades to Nature Fund and Environmental Delivery Plans.
- **Lack of mandatory requirement for the private sector to offset impacts and dependencies on nature.** TNFD reports remain just words with no compunction toward action to offset.

- **Lack of bridging finance for farmers to access active natural capital trades.** Entry costs for BNG, Nutrient Neutrality and soil carbon remain prohibitive to many smaller farmers.
- Farmers who are prepared to lead and experienced facilitators are the core solution to manage outreach and establishing groups...**Currently there is a small pool of these lead farmers with enough time;** they are, in the main, expected to operate pro bono which is not sustainable in the long term.
- Farmers **prefer** facilitators from a farming and environmental background, and these are often self-employed or in small firms, they cannot afford to up-front resource into grant applications etc.

## 7.4 Nutrition and diet of the healthy farmer – risks and solutions

### Executive summary

Poor diet and nutrition are major contributors to rising obesity and non-communicable diseases (NCDs) in the UK, costing the Government £18 billion annually. The UK National Dietary Nutrition Survey published in June 2025 shows widespread national non-adherence to healthy eating guidelines, with farmers reporting even lower compliance.

Farmers and farm workers are disproportionately affected due to a range of systemic and lifestyle barriers. These include:

- Cost of and availability of healthy foods
- Limited access and time for healthy lifestyle choices
- Poor mental health
- Marketing and positioning of foods

To address these challenges, targeted healthy eating and wellbeing interventions delivered by trained public health professionals through trusted rural and farming networks are essential. Policy must prioritise the affordability and accessibility of healthy foods in rural areas and restrict marketing of unhealthy products. Bold legislative action that takes into accounts the health of those living in rural areas is needed to build a food system that promotes both health and sustainability.

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### Introduction

Little research has been published about food consumption, obesity rates and non-communicable diseases (NCD's) indicators of farmers and farm workers in the UK, however there is evidence from global and national research and observations in the sector that they are no different to average trends. With increased mechanisation, farming is no longer the energy demanding job it once was. This section discusses the nutrition related health risks that are likely to be prevalent in this community in relation to national population evidence and global research from comparable sectors to draw conclusions and make recommendations for policy.

## **Background**

In the UK, poor nutritional health status is a major contributor to the growing burden of obesity and NCDs, including type 2 diabetes, hypertension, cardiovascular disease (CVD), and some cancers. The Government currently spends £18 billion on conditions related to poor diet and obesity every year. One in four adults over the age of 45 years has diabetes or a heart condition which impacts on ability to work productively (Dimbleby 2021). **To frame within the context of the farming population Van Doorn (2021) report that farmers in Ireland and Australia have increased risk of CVD with higher-than-average obesity rates.**

Evidence suggests a causal relationship between poor dietary factors and NCDs (Murray 2019) characterised by high consumption of ultra-processed foods (UPF's), saturated fats, free sugars, and salt, alongside low intake of fruits, vegetables, and fibre (Scarborough et al., 2020)

UK's healthy eating guidelines are outlined in the Eatwell Guide (NHS 2023), which promotes a balanced diet to support health and prevent chronic diseases. It recommends that over a third of food intake should come from fruit and vegetables, aiming for at least five portions a day, alongside starchy carbohydrates, preferably wholegrain (PHE, 2016). Moderate amounts of dairy or alternatives, protein sources (like beans, fish, eggs, and lean meat), and unsaturated oils are advised. Foods high in fat, salt, and sugar (HFFS) should be limited. Adults are encouraged to keep free sugars below 5% of daily energy, saturated fat low, salt under 6g daily, and red/processed meat below 70g per day (NHS, 2023).

Yet The National Diet and Nutrition Survey (NDNS) for England (2019–2023) highlights adults are not meeting the recommendations (Roberts 2025).

- Low fruit and vegetable intake with an average of 3.3 to 3.7 portions per day, with fewer than 1 in 5 (17%) meeting the 5 A Day recommendation. **Similarly, the Farmers Weekly Fit 2 Farm survey (2018) identified only 18% of farm workers eat the recommended intake of fruit and vegetables with 4% of respondents rarely eating fruit and vegetables (Tasker 2018).**
- 27% of men aged 19–64 consumed more than 90g of red meat daily. **Van Doorn (2021) showed 46% farmers ate red meat on most days, 36% add salt to their food and 60% ate fried food regularly.**
- Sugar intake exceeded guidelines, with free sugars making up 10% of total energy intake among adults—double the 5% recommendation. Sugar-



sweetened soft drink consumption peaked among men aged 19–64 years, averaging 108ml per day, with the highest consumers reaching 768ml.

- Saturated fat consumption was similarly high at 12.6%.

Poor nutrition does not act in isolation but intersects with broader determinants of health. There is some evidence adults living in rural areas are more likely to be overweight or obese (Stiebahl 2025). Among people with no qualifications, rates of excess weight are 9 percentage points higher than among people with level 4 qualifications or higher (a degree) (Stiebahl, 2025)

### **Challenges and barriers for farmers to meet healthy eating guidelines**

**Good health is pertinent to farmer livelihoods, but the evidence indicates they are likely to eat a poor diet and be at risk of obesity related NCD's due to challenges and barriers linked to lifestyle and working patterns because of:**

#### *Cost of and availability of healthy foods*

A diet rich in the recommended healthy foods are estimated by the Food Foundation (2024) to be more than twice as expensive as less healthy food. A fifth of the population on the lowest incomes would have to spend 45% of their available income on food to meet the requirements of the Government healthy eating recommendations, more for households with children. Shockingly, the Food Foundation Insecurity Tracking survey found that **25.5% of key workers in UK's food sector experienced food insecurity in the 6-month period to February 2023 (Food Foundation 2023)** with over 1.2 million people working in the sector earning below the Real Living Wage. Farm incomes are dropping and as 'direct payments' reduce (Defra 2025) a growing number of farmers and growers are struggling to earn enough to be financially viable (Riverford, 2024) **which suggests some farmers are part of this statistic.**

**Farmers are proud people and reluctant to ask for help but affected by low incomes, the cost-of-living crisis as well as Government policies they too are likely to be struggling with difficulties eating an affordable, healthy diet.**

**Additionally, farming is based in rural areas where long distances may have to be travelled to access food stores increasing cost further.** Often village stores will lack quality fresh fruit and vegetables preferring to stock longer life energy dense convenience foods especially HFSS (Seguin et al 2014). Therefore, those living in rural communities often have to rely on unhealthy energy dense foods.

#### *Limited Access and Time for Healthy Lifestyle Choices:*

Farmers often work long hours and have limited time for purchasing and preparing food. The average working week for farmers and farm workers is 65 hours FWI (2018), **impacting time available to shop and prepare a healthy diet.** Although little data is available of food consumption of farmers and farm workers specifically **it is recognised that long working hours and shift working** can disrupt the circadian cycle and impact lifestyle choices contributing to increased CVD risk (Silva et al 2025). Shift workers have been identified to engage in unhealthy behaviours such as higher



alcohol consumption, missing meals and reliance on unhealthy snacks (O’Geil et al 2020, Bayraktaroglu 2024). **Of concern for the future of farming are young adults who are particularly at risk of poor dietary patterns** (Hartwell et al 2022).

Poor diet is directly linked to poor cooking skills (Utter et al 2018). Easy access to cheap convenience foods and take aways decrease motivation to cook. There is a reported rise of poor cooking skills with growing concerns these skills will be lost in future generations with many young adults being brought up in households without food skills (Utter et al 2018, Adams 2015, Gaston et al 2024). A recent YouGov poll showed that 49% of males and 36% of women regard themselves as poor cooks and unconfident cooking from scratch with data shows that younger generations consider themselves poorer cooks than the older generation (Ibbetson 2022). Reduced nutrition and food skills and knowledge reduces confidence to prepare food from scratch and leads to poor food choices (Rees et al 2012).

Almost three-quarters (72%) of UK adults reported purchasing food or drinks from the out-of-home sector at least once in the previous week, most commonly 1–2 times, indicating the influence of convenience food options on national dietary habits (Roberts et al 2025). Out of home foods, and particularly the ‘take away’ sector are on average 21% more energy dense, HFSS and low in fibre (Nesta 2024, Huang et al 2022, Smith et al 2012).

**For farmers and farming families who are time poor, the impact of reduced cooking skills, meal planning and reliance on energy dense ready meals and take aways will impact on diet quality.**

#### *Poor mental health*

Mental health issues amongst farmers are of growing concern and regarded as being one of the biggest challenges facing farmers today (Tasker 2018). This can be further exacerbated by long working hours and lack of exercise. **Sixty percent of farmers do not exercise off farm (WCF 2019) exacerbating poor mental health and NCD risks.**

A diet rich in UPF’s can see a 21% increase in depressive symptoms (Adjibade et al. 2019). Conversely it is well recognised that a diet rich in fruit, vegetables, nuts and legumes and moderate consumption of eggs, poultry and dairy is associated with a lower risk of depression (Firth 2020). And yet food choices can often be affected by our mood and at times of stress the human body is conditioned to demand ‘comfort food’, that is often high in sugar, fat and salt and detrimental to positive wellbeing, creating a vicious circle of events that contribute to the poorer mental state.

**Farmers trust existing networks for support** and being more open about mental health is gradually happening in the sector. The Young Farmers organisation is making concerted progress in raising awareness, but young farmers remain vulnerable to poor mental health (Wheeler and Lobley 2021; 2022) as are women (Sato et al., 2020; O’Shaughnessy et al., 2022). **Farming networks provide opportunities to develop initiatives to support healthy eating and positive lifestyle changes to ultimately support individual management of health and wellbeing (for example Farming Community Network (FCN) breakfast and lunch clubs)**

## *Marketing and positioning of foods*

Consumers are influenced by colourful and eye-catching packaging and advertising contributing to quick purchase decisions (FSA 2023). Evidence shows that food marketing is associated with substantial increases in food intake and choice preference for targeted items (Boyland et al., 2022). 37% of supermarket promotions on food and non-alcoholic drinks are for HFSS foods. 36% of food and soft drink advertising is spent on unhealthy food versus just 2% on vegetables and fruit (The Food Foundation 2025). **Many farmers report wanting to undertake sedentary activities such as watching television in their downtime (Seguin et al 2014) making them susceptible to the advertising strategies used by food companies to promote UPF's and HFSS on our screens.**

## **Evidence of intervention programmes**

Farmers have been regarded as hard to reach with respect to health promotion interventions (Tasker 2018) and yet work completed by Kavanagh et al (2024) identified that there is a **demand from the farming community for targeted and accessible support**. Although to date all programmes have been short and no long-term benefits measured (Kavanagh et al 2024, Rees et al, Tasker et al 2018)

Intervention programmes should be designed to consider the purpose of the activity and well financed in the longer term. Implementation should be by well-trained Registered Nutritionists (AfN 2025) and health professionals through organisations trusted by the participants to ensure they are seasonally appropriate and promote social interaction to improve health (Kavanagh et al 2024). Specifically, Public Health Nutritionists develop, implement and evaluate nutrition policies and programmes, generating the evidence base and applying scientific knowledge to ensure understanding of the impact of food and diet on health and well-being of people and communities (AfN, 2025).

In addition to supporting individuals' health behaviour change, Registered Nutritionists and food scientists are integral to influencing policy decisions in international and national organisations. They bridge the gap between healthy eating and food production. Their wider knowledge of how the environment, social and economic events can impact food supply, food quality and availability are key to supporting farmers interact with the extensive food chain and live healthier lives. They should be involved implementing policies that promote healthy eating that is sustainable.

## **Recommendations**

Numerous reports have highlighted the challenges facing the food supply chain (The Food Foundation 2025, National Food Strategy etc). The current system of big business wishing to drive profit at the expense of the cost of health and wellbeing of individuals is creating an unlevel playing field for progressive businesses who wish to invest in health and sustainability. Food companies have a vital role to play in supporting public health. Government has a responsibility to take bold action to legislate and set parameters to enable a new model to deliver on health sustainability. The current plans simply do not go far enough.

Improving the balance of availability of healthy foods must become a priority for Government policy for all. This should include:

- Develop policy to ensure **healthy food is readily available and affordable nationally**, especially rural areas including advice on how to provide healthy options. For example, provision of frozen options to ensure longer life guarantees for smaller rural businesses.
- **Limiting marketing of UPF's and HFFS foods** in stores, on screens and in high streets by adopting recommendations from previous reports such as the National Food Strategy (2021) and Broken Plate Report (2024).
- Implement a **comprehensive food, healthy eating and cooking skills** education programme to all levels of the school education system including HE and FE.

And for the farming community specifically

- Encourage farming NGO's and charities to **implement evidence-based intervention strategy** designed and delivered by qualified registered nutritionists and health professionals to support farmers adopt healthy eating and wellbeing strategies. Ideally this should be through trusted support networks such as Young Farmers Clubs, rural community groups, FCN.

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## 7.5 Independent review into labour shortages in the food supply chain: summary of recommendations

### **Recommendation 1: Implement a Comprehensive Strategy to Enhance Sector Attractiveness**

Timing: short term

Responsibility to deliver: industry

To improve sector image, the FDSC must lead a comprehensive strategy that includes:

- Communication campaigns targeted at changing public perception of the sector
- Developing careers advice provided by schools and education/training providers
- Reviewing methods through which pay, staff benefits and conditions can be improved
- Recognition of role that hard-to-reach and disengaged groups can offer businesses

### **Recommendation 2: Access to Migrant Labour**

Timing: short term

Responsibility to deliver: Government

#### **Seasonal Worker route**

Announce the replacement of the scheme by the end of 2023, guaranteed for a minimum of five years. Consider removing the cap on the total number of visas and extend the length of visas to nine months. Selected businesses should have the ability to directly sponsor workers. Employers should bear responsibility for the cost of the NHS health surcharge. A robust enforcement mechanism must be implemented and managed by the GLAA to reduce labour exploitation.

#### **Skilled Worker route**

Widen the eligibility criteria for the route to reclassify occupations so they become eligible and reduce the high financial costs to access the route. It is essential that Shortage Occupation List (SOL) reviews take place more frequently and the English language requirement is relaxed.

### **Recommendation 3: Invest in Domestic Workers**

Timing: medium term

Responsibility to deliver: Government and industry

Businesses should provide clear training and career development plans for workers, focusing on skills that are specific to the food supply chain sector. Sectoral organisations should collaborate to create a portal which garners labour market data that businesses can access. Government to consider providing businesses with access to HR support via Local Enterprise Partnerships.



## **Recommendation 4: Reform the Apprenticeship Levy**

Timing: medium term

Responsibility to deliver: Government and industry

Overhaul the Levy in collaboration with industry input to provide a highly skilled workforce and enable greater access for SMEs, named the Skills and Development Levy. To achieve this:

- Introduce a flexible approach that includes a wider range of training, simplify the application process, and introduce a Research and Development-style tax record system
- Increase flexibility in the use of funding
- Provide clarity on the use of the expired Levy funding

## **Recommendation 5: Build on Skills Supply Collaboration**

Timing: long term

Responsibility to deliver: Government, education bodies and industry

Greater collaboration between the Government, education providers and industry through formalised engagement, focusing on informing policymaking, skills development, investment in training and education provision.

## **Recommendation 6: Support Food Career Curriculum Delivery**

Timing: medium term

Responsibility to deliver: Government and education bodies

Next generation of entrants to the food supply chain must be seen as a matter of national importance in assisting with the security of the sector. Higher education funding bodies should review food supply chain-related subjects to ensure funding for relevant courses.

## **Recommendation 7: Produce a Workforce Data Strategy**

Timing: long term

Responsibility to deliver: Government

Set out a workforce data strategy in partnership with the Office for National Statistics and Department for Education's Unit for Future Skills to improve available data on labour and skills supply. They should include commissioning real-time LMI and improving existing datasets and mapping workforce trends within the sector to ensure a pipeline of skills.

## **Recommendation 8: Incentivise Automation**

Timing: long term

Responsibility to deliver: Government

Improve access to funding that incentivises the uptake of automation among businesses to encourage productivity gains, boost employment and achieve environmental outcomes. Replacement of the Fruit and Vegetables Aid Scheme must open grant aid to individual producers, and an equivalent scheme needs to be

introduced for the food and drink manufacturing sector.

### **Recommendation 9: Advance Automation Knowledge**

Timing: long term

Responsibility to deliver: Government and industry

Implement a coordinated, cross-industry approach to knowledge-sharing and promote the adoption of automation which eliminates existing barriers and simplified access to new technology. The FDSC should act as the initial forum.

### **Recommendation 10: Moonshot Approach to Innovation**

Timing: long term

Responsibility to deliver: Government, research funding bodies and industry

There needs to be a moon-shot approach to innovation funding where collaboration between relevant stakeholders can identify gaps in existing technologies, provide new revenue streams and support the wider adoption of automation, driven by the FDSC.

## **7.6 A new abstractor led approach for water resource planning in Norfolk**

Steve Moncaster, Managing Director, August 2025

Food and farming abstractors in the Norfolk Broads have spent the last decade dealing with Environment Agency (EA) and Natural England measures to reduce licenced abstraction in areas close to wetland SSSIs. The process has exposed the vulnerability of the sector to restrictions on water supply, with efforts to manage business risk undermined by a lack of planning capacity, poor organisation and the complexity of the technical issues that have been raised.

As a result, opportunities for a more holistic approach to protecting the SSSIs have been lost and instead, current plans are based on licence reductions to meet a narrow set of environmental requirements. These do not account for the economic value of the affected businesses.

Over the next decade, the EA will extend their programme to reduce abstraction to sustainable levels. All catchments in England will be reviewed and over 4,000 food and farming licences are at risk of change, about 33% of the total. In terms of water, the sector is about to experience another profound shock.

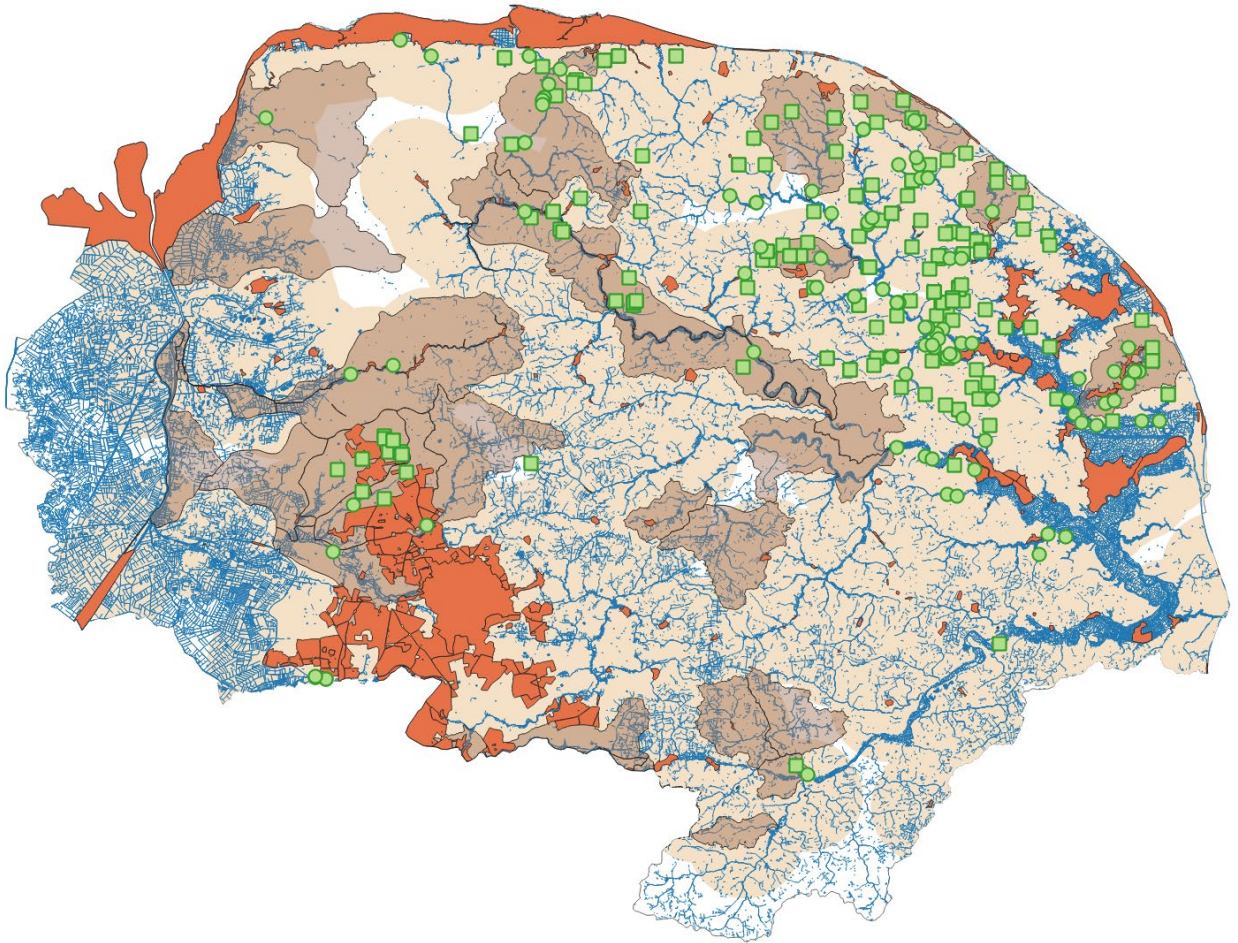
In response, abstractors are being encouraged to form water abstractor groups (WAGs). Experience in Norfolk shows that a strong technical programme is essential if WAGs are going secure access to reliable, sustainable and affordable water supplies on behalf of their members. To fund this, WAGs need to generate subscriptions and other revenues, which then need to be spent getting support from water resource planning experts. This approach has been used by Norfolk Environment Food and Farming (Norfolk EFF). Details include:

- A membership that comprises 134 food and farming businesses, with over 200 licences to abstract up to 17,000,000m<sup>3</sup> per year. The membership is concentrated in north-east Norfolk, where the company was originally established, and most members use their water for spray irrigation. Some use it to process or manufacture food.
- Annual subscriptions which are used to cover general membership activities and work on the “Norfolk Sustainable Abstraction” (NSA) programme. To increase affordability, funding from subscriptions is supplemented by grants and other contributions. The current subscription is £5/1,000m<sup>3</sup> licenced volume of abstraction with a minimum annual charge of £600.
- For good governance, the organisation is incorporated as a not-for-profit company limited by guarantee. It has a Board of Directors, a Chair and a Treasurer. The company is managed in accordance with Articles of Association and a Membership Agreement, and
- The vision is for successful agri-food businesses that conserve and protect the environment. To deliver this, the company business plan contains goals and objectives linked to water resource planning, drought planning, enhanced environmental and social outcomes and building the organisation.

*Figure on the following page shows the distribution of Norfolk Environment Food and Farming member groundwater (green squares) and surface water (green circle) licences. This data is from January 2025.*

*The orange shading is for Norfolk SSSIs and a 5km buffer on these is shown in the light brown shading. The dark brown shading shows the distribution of WFD waterbodies that do not meet good status in Cycle 3 of the WFD assessments.*

*All licences within 5km of a SSSI will be reviewed by the EA to determine sustainability, with a focus on waterbodies that fail to meet good hydrological status. Norfolk Environment Food and Farming licences comprise around 20%-30% of the total in Norfolk; closer to 80% in the north-east Norfolk “core” area.*



Data from Environment Agency and Natural England. Base mapping from Ordnance Survey.

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## Appendix A: Water abstractor group (WAG) fit with Cunliffe

Key points:

1. Compared to the current regional planning groups, WAGs have more confidence in the “system planning” approach. Specifically, we welcome:
  - a. The proposed governance arrangements.
  - b. The aim to produce strategic, cross-sector plans which will be based on regional and national objectives.
  - c. For these plans to take a more holistic view of the water environment, combining measures for flood risk, water quality and abstraction management where it is appropriate and cost-effective to do so, and



- d. The proposals to support each system planner with 20 to 50 full time equivalent staff, which will be transferred from the planning functions of the existing regulators.
2. We expect that these measures will promote more openness & transparency in planning and deliver better outcomes.
3. Related to this, we recognise the central importance of creating a trusted process capable of making the “challenging trade-offs” needed to balance growth, new development and enhanced environmental outcomes.
4. WAGs, such as Norfolk Environment Food and Farming, have an important role in the new system planning process:
  - a. WAGs work “on the ground” dealing with large networks of individual abstractors.
  - b. They focus on planning, policy and technical issues related to water availability and how these influence the balance between nature recovery, crop production and the rural economy.
  - c. On abstraction, they can easily support the agricultural representative on each system planning Strategic Board, ensuring that views of farmers and growers are accounted for in the related decision-making. In doing this, WAGs will provide a vital link between the Board, their officers and members who are land managers working in catchments where the improvements are needed.
  - d. Since most WAG abstractors are also familiar with water quality issues, a minor change in role means that WAGs can also support the system planners with work to reduce pollution, and finally
  - e. As network coordinators with technical expertise, WAGs can easily become “delivery bodies” for the food and farming schemes that are selected and promoted by the system planners.
5. Within the new process, WAG funding will be needed for planning work and to run each organisation. In the medium to long-term, an abstraction charge levy could be used for this.
6. In the meantime, and where levy funding needs to be augmented, WAGs should seek subscriptions, grants and other contributions. Experience in Norfolk shows that where WAG membership is established at scale, annual subscriptions are an affordable option and that these can be supplemented with funding from other sources.

## Appendix B: Water resource planning metrics

Key points:

1. For productivity in irrigated agriculture, the key metrics are:
  - a. £gross value added (GVA)/m<sup>3</sup> of water which is abstracted and used, and
  - b. £GVA lost in droughts through restrictions on access to water.
2. For system planning, national and regional objectives for any strategic, cross-sector plans should be to **increase £GVA/m<sup>3</sup>** in the food and farming sector and **reduce £GVA lost in droughts**.
3. Plans which do not show £GVA/m<sup>3</sup> increasing and £GVA lost reducing should not be accepted. This requirement (“red line”) should drive planning work to enable the challenging trade-off processes which Cunliffe anticipates.

4. To enable these metrics to be used by the system planners and others, they need to be produced:
  - a. Annually, so that market and weather-related effects can be determined and separated from the underlying productivity trends, and
  - b. At EA management catchment scale. In Norfolk, this would be mean producing data for the Broadland, North Norfolk, North West Norfolk and parts of the Cambridge and Ely Ouse (CAMEO) catchments.

### Appendix C: Photos



Irrigation reel and potato field





New reservoir construction



Irrigation reel and potato field