

## CORONAVIRUS: WHAT DOES IT MEAN FOR AGRICULTURAL BUSINESSES?

**Agriculture litigation partner, Russell Reeves, takes a look at the impact of coronavirus on the agricultural sector, and assesses the options available to agribusinesses.**

The UK's agricultural businesses have been under pressure from all sides in the last 12 months, including negative media publicity, the rise in veganism, floods, the loss of seasonal workers, the spectre of reduced subsidies and threat of being undercut by cheap foreign imports.

Now, coronavirus has placed the issue of food security and supply right at the forefront of public consciousness in the UK. But it also poses a huge potential challenge to the industry, threatening to push it to its limits of capacity and change established working practices.

The situation is moving fast, and a steady flow of government announcements, industry moves and individual steps by businesses have quickly altered the commercial landscape of the country.

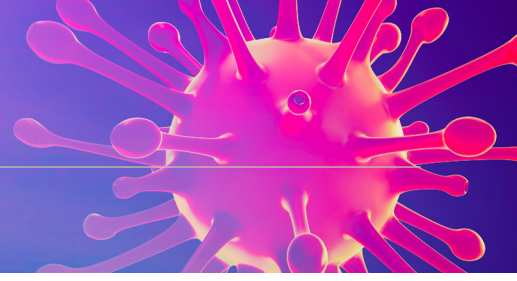
Things will be working with our agricultural clients very closely over the coming months to ensure they are effectively managing risk, protecting their businesses and themselves to weather the storm.

Here, we explore some of the key ways coronavirus could affect your agricultural businesses.

### CONTRACTS AND FORCE MAJEURE

Every business across the country is likely to be looking closely at their contracts over the coming weeks, and you should too. An important first step is categorising every part of your supply chain in terms of importance, but also risk. You may find that you have to adapt or terminate some of your contracts to cut costs and protect cash flow.

The situation might call for you, or others, to use force majeure clauses or other contractual rights. Things' Agriculture team can help you navigate these issues smoothly.



## PRESSURES ON TENANTS

One contract that is going to be particularly important is your Farm Business Tenancy or Agricultural Holdings Act Tenancy. You need to take a close look at the terms of your tenancy agreements, particularly with regards to rent reviews, disputes procedures and notices to quit. Our expert agricultural solicitors can help you understand exactly what your options are.

## MANAGING NEW RISKS

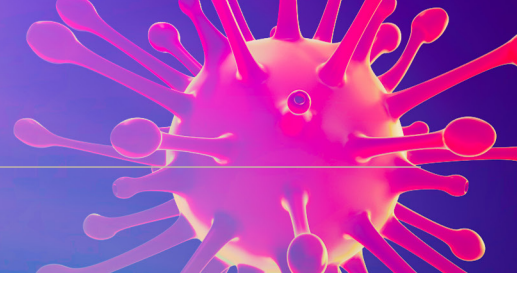
Coronavirus is quickly reshaping risk management for businesses in all sectors. Agricultural businesses, many of which rely on a small team of key individuals, now need to weigh up exactly what activities they should be undertaking. If a central team member is unable to work for weeks at a time, it could seriously impact your ability to operate.

Cashflow will be a priority for almost all businesses, and it is important to ensure you have as much cash as possible in order to buy the vital resources your business needs. If your cash supply is limited, communicating clearly with key suppliers, customers and even creditors will allow you to effectively use the resources you do have.

## PROTECTING EMPLOYEES

The agriculture sector was already facing a potentially tough summer due to the restricted number of seasonal workers post-Brexit. Coronavirus looks set to complicate matters further, with the government asking workers to stay at home if they can, and many others having to self-isolate.

Any employees that are forced to stay home due to coronavirus are entitled to agricultural workers sick pay. This means they should be paid as normal. Those that are self-isolating are entitled to statutory sick pay under the new government legislation. You may feel that it is important to continue to pay your employees in accordance with your normal policy in these instances.



## ACCESSING THE RIGHT SUPPORT

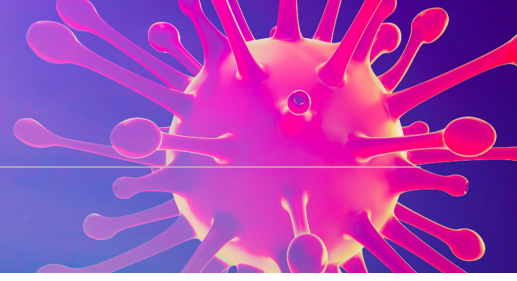
The government has implemented a number of policies aimed at supporting businesses through the disruption and uncertainty of the next few months. For agricultural businesses, the measures relating to government-backed business loans, business rate relief and small business grants of up to £25,000 could prove to be hugely beneficial. At Thrings, we are working closely with our agricultural clients to explore what support they are entitled to, and how best to incorporate these new measures into their business strategies.

## DEALING WITH RURAL PLANNING DELAYS

There are likely to be a lot of delays and disruptions to rural planning decisions. You will need to factor this into any strategic plans you have for the coming year. Even if the system is able to adapt in the coming weeks, the backlog is likely to be extensive. This could be extended further if the local authority is forced to focus its resources elsewhere or has to deal with significant gaps in its workforce. If you know what you want to do, now is the time to submit your request. Our agricultural planning solicitors can assist you in exploring the possibility of acquiring temporary permitted development rights or other types of permitted development rights.

## STAYING ON TOP OF CHANGING REGULATIONS

With the high level of change and the many ways in which the outbreak is already affecting businesses, it is going to be hard to keep up with every shift in policy. For example, we think that for all but the most serious cases, there will be a relaxation or softening of investigation and enforcement proceedings by local authorities and agencies like Trading Standards, the Health and Safety Executive, the Environment Agency and the Gangmaster and Labour Abuse Authority. We can help you stay completely up to date with changes relating to agricultural law, and we will continue to share specific updates and advice on our Coronavirus Portal.



## WE ARE HERE TO HELP

Our Agriculture team have extensive knowledge and expertise in helping agricultural businesses manage their risks and maximise their reputation. Whether you are a farmer,

grower, agri-business or other rural enterprise, we'll work with you to understand your new operating environment as the coronavirus outbreak escalates. Get in touch with our Agriculture team today.



**Duncan Sigournay**  
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