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MONTHLY FARMING UPDATE

December 2023



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I Policy issues

- 1 The Government has issued a Call for Evidence to explore the proposal for a Tenant Farming Commissioner and to encourage more collaborative tenant-landlord and advisor relationships. The Government is also:
 - To work with the sector to develop a new Code of Practice setting standards of responsible conduct for all parties to tenancy agreements.
 - To offer more actions on three-year agreements under the Sustainable Farming Incentive without requiring landlord consent from 2024.
 - To encourage collaboration with a wide range of land managers, including tenant farmers, through the Landscape Recovery Scheme.
 - To explore support for New Entrants.
 - To track data on the amount of land in the tenanted sector to pick up any emerging trends on land resumption thereby seeking ways to identify drivers of change.
- 2 At COP 28, 134 countries, covering 70 per cent of the world's land, along with major food producers and bodies representing consumers, have signed up to the Emirates Declaration on Sustainable Agriculture, Resilient Food Systems and Climate Action.
- 3 A report published by the House of Lords Horticultural Select Committee has called for a 'cross-departmental horticulture strategy' and has incorporated the recommendations of the Soil Association in its findings:
 - A doubling on the investment in nature-friendly farming across the UK – making sustainable farming more widespread and profitable by delivering economies of scale.
 - The production of an ambitious horticulture strategy whilst supporting British fruit and vegetable production and consumption.
 - A doubling of British fruit and vegetable production and consumption to support healthy diets.
 - Ensuring at least 50 per cent of food in schools and hospitals is British, local and sustainable.
 - Ensuring food retail pricing that provides a fair return for farmers.
 - Intervening in supply chains so that retailers provide contracts that incentivise farmers.
- 4 Following the publication of an independent report, Powering Productivity for Sustainable UK Food Security, the Agricultural Industries Confederation has called for a Food Security Committee to be created as a statutory body to oversee agricultural productivity and food security.

II Reform

- 1 NFU modelling has revealed that upland farm businesses will be significantly worse off under the Sustainable Farming Incentive and Defra has been asked to reconsider the upland payments.
- 2 The demise of the Basic Payment Scheme means those with purchased Entitlements may make a negligible value claim which may be used to reduce capital gains arising on the disposal of other assets.

- 3 The Habitat Wales Scheme, an interim measure until the Sustainable Farming Initiative is introduced in 2025, has received over 3,000 applications.

III Grants/regulations/legislation/environment

- 1 Defra has announced a raft of new environmental measures. A new plan is to be created to recover England's temperate rainforests, found in Cornwall, Devon and Cumbria, with £750,000 of Research & Development funding; a competition will be held to create a new National Forest; new Community Forests will be created in Derbyshire and the Tees Valley with 175 hectares of new woodland plantings; and legislation for Biodiversity will be laid before Parliament.
- 2 The latest assessment of biodiversity indicators has been published. In the long term, 39 per cent of measures show an improvement, 10 per cent show little change while 27 per cent show a deterioration. In the short term, 22 per cent show an improvement, 18 per cent show little change while 33 per cent show a deterioration.
- 3 At the end of November, the Environment Agency held Flood Action Week, encouraging communities to be aware of their flood risk given increased extreme weather events. According to the Met Office, Storm Babet resulted in the third-wettest independent three-day period for England and Wales since 1891 while the Midlands recorded its wettest ever three-day period.
- 4 Defra has created the Forest Research programme with funding of £16 millions whereby scientists will support 30 projects along with 27 partner organisations. Projects include:
 - Studying the complex nature of soil nutrients and plant roots to determine how they help boost woodlands.
 - Working to better understand how tree seeds can fall naturally and plant themselves.
 - Developing an understanding of how drought is impacting tree growth.
 - Examining the barriers to agroforestry, where trees and agricultural crops grow on the same piece of land.
- 5 Defra has announced further agricultural funding of £45 millions. A total of £30 millions will be available in the second round of the Improving Farm Productivity Grant with capital grants of between £25,000 and £500,000 towards robotic and automatic equipment. Further, grants of between £15,000 and £100,000 will be available for solar equipment which can be fitted on rooftops or float on irrigation reservoirs. £8 millions will be available in the third round of the Large R&D Partnership designed to boost industrial research and experimental development projects while £850,000 will be provided for the Research Starter Round 4 competition to identify and accelerate new agricultural solutions.
- 6 Defra has announced the Woodland Access Implementation Plan outlining the aims for improving the quality, quantity and permanency of access to woodlands. It includes:
 - Funding through existing land management schemes to landowners and land managers to create or maintain responsible access to trees and woodlands.
 - Supporting landowners and land managers with guidance which promotes good practice.
 - Improving information to the public on where to go and what to expect on arrival.
 - Promoting the Countryside Code.
 - Working to protect existing rights and enhancing them where possible in the management of new woodlands.

- 7 The second round of the Slurry Infrastructure Grant scheme has opened for applications with £74 millions available to help farmers invest in improved slurry infrastructure to tackle water pollution, improve air quality and make better use of organic ingredients. The second round includes improvements in the amount of storage pig farms can apply for, grants towards a slurry separator and the option to retrofit covers onto existing stores.
- 8 The Welsh Government has advised that 15 woodland sites have joined the National Forest Status Scheme since it was announced in June while Natural Resources Wales has proposed that 12 areas of the Welsh Government Woodland Estate will join the network adding 24,000 hectares.
- 9 The James Hutton Institute is seeking a partner to lead its HydroGlen project in Aberdeenshire. The project is designed to help farmers use hydrogen in a scalable and replicable way so they could become self-reliant, low carbon energy producers and exporters.
- 10 Defra and UK Research and Innovation have launched an £800,000 fund to devise new solutions and technologies to increase UK biosecurity and protect it from regulated plant diseases and pests.
- 11 The Scottish Government has announced funding of £1.8 millions to enable farmers to repair man-made flood banks in local authority areas worst hit by recent floods.
- 12 Growing Kent & Medway has announced funding of £1.2 millions for sustainable innovation and new technologies in the horticultural and plant-based food and drink sector. The Prototype and Demonstrator Fund will provide projects with grants of between £50,000 and £150,000 while Business Innovation Vouchers will carry a value of between £10,000 and £30,000.
- 13 Defra has announced plans for 34 new Landscape Recovery projects involving over 700 land managers. The projects will aim to restore 35,000 hectares of peatland; sustainably manage 20,000 hectares of woodland, including some temperate woodland; create 7,000 hectares of new woodland; and benefit more than 160 Sites of Special Scientific Interest. £25 millions of funding, together with green finance from private investors, will be available to the successful projects.
- 14 The DETECT project, involving scientists from Scotland's Rural College, has been awarded £700,000 to develop an automated, data-driven system for non-invasive and real-time monitoring of respiratory disease in dairy-bred calves.
- 15 The Welsh Government is to make available £1 million to support new projects which can help tackle ammonia emissions in agriculture.
- 16 The Scottish Government is seeking views on how Scotland could respond to the impact of climate change on the availability of water and wastewater services.

IV Other matters of farm finance and tenure

- 1 Data on average Farm Business Income by farm type in the year to February has been published.
 - Cereals up 25 per cent to £150,400.
 - General cropping down 14 per cent to £125,200.
 - Dairy up 63 per cent to £229,300.
 - Lowland grazing livestock down 37 per cent to £21,600.
 - Less favoured area grazing livestock down 41 per cent to £25,400.
 - Specialist pigs up 477 per cent to £67,900.

- Specialist poultry down 23 per cent to £105,900.
- Mixed down 8 per cent to £68,000.
- Horticulture up 58 per cent to £95,600.

Overall, 17 per cent of farms incurred a loss; 25 per cent were in the range to £25,000; 16 per cent were in the range to £50,000; 10 per cent were in the range to £75,000; 5 per cent were in the range to £100,000; and 28 per cent achieved a surplus in excess of £100,000.

- 2 The Agricultural Price Index for outputs fell by 5.5 per cent in the year to September and by 1.3 per cent compared to August. The index for inputs fell by 12.1 per cent in the year to September but increased by 1.1 per cent compared to August.
- 3 The National Living Wage for those over 21 has increased to £11.44 per hour; those aged 18-20 will be paid £8.60 per hour; while those aged 16-17 will be paid £6.40 per hour.
- 4 Following a cut in rural funding last year of £33 millions, the Scottish Government has announced a further cut for this year of £28 millions.
- 5 Draft regulations allowing local authorities to charge up to double the full rate of Council Tax on second homes have been laid before the Scottish Parliament.
- 6 Details from the June agricultural census have been published by the Scottish Government. They reveal:
 - Cattle numbers continue to decline with a 3 per cent decrease from the 5-year average in 2021.
 - Sheep numbers fell by 2 per cent compared to the 5-year average.
 - Winter planting rose by 4 per cent compared to the 5-year average but spring planting was down 2 per cent.
 - The oilseed rape area was up 25 per cent on the 5-year average.
 - The vegetable area, excluding potatoes, was up 7 per cent on the 5-year average but the vegetable area for stockfeed was down 5 per cent.
 - The potato area fell by 6 per cent compared to the 5-year average.
 - The soft fruit area fell by 7 per cent compared to the 5-year average with the strawberry area down 11 per cent.
- 7 Carter Jonas has reported that, by the end of September, 32,375 hectares had been brought to the market in the UK compared to 30,537 hectares in the whole of 2022.
- 8 The Scottish Government has created the Next Generation and Women in Agriculture Practical Training Fund with £500,000 available to help women and young people develop new agricultural skills.

V Product prices

A Market background

- 1 Sterling closed up against the Euro and the US Dollar this month, having first weakened against both in the early part of the month. After opening against the Euro at 87.3p, Sterling weakened steadily to a low of 87.6p but improved thereafter to close the month at 86.2p per € (1.1p stronger). Meanwhile, against the US Dollar, Sterling opened the month at 82.4p and gained strength for most of the month, after a small drop early on. Having peaked at 78.6p, Sterling fell back marginally, to close materially up at 79.1p per \$ (3.3p stronger).

- 2 The gold price, with the usual volatility, fell back in the first half of the month but recovered partially in the latter half. Falling back from an all-time high of £1,666 per troy ounce, the average dropped to £1,572 before climbing back to close the month at £1,614 per troy ounce.
- 3 Crude oil prices remained volatile but with an underlying downward trend, albeit only marginally so. Brent Crude, opening at \$87.9 per barrel, dropped to a mid-month low of \$77.4 but improved to a closing price of \$82.8 per barrel, down \$5.1 overall.

B Crops

- 1 The cereals market has risen marginally in the short term, although there remains a plentiful supply of feed crop. The healthy forecast for global maize outputs in the coming season is, as a feed alternative, keeping pressure on prices for the medium-term; whilst progress on maize planting in Brazil and Argentina are strong watch-points for the market. Weakness of the dollar and competitive pricing in the Black Sea also suppressed prices. Average milling premiums have fallen back towards normal levels as buyers are starting to build next season's potential into their programme; now £35 - 40/tonne. Feed wheat futures remained volatile; the small movements were positive overall, particularly longer term, having been higher earlier in the month. By late November, deliveries for November 2024 and 2025 were £206/tonne (+4) and £212/tonne (+8) respectively. Oilseed rape prices recovered from October's fall throughout the month; the main driver being the soya market, which has risen due to increased Chinese demand and South American weather concerns. The long-term outlook remains flat to negative.

Average spot prices in late November (per tonne ex-farm): feed wheat £180 (+6); milling wheat £242 (-4); feed barley £157 (+1); oilseed rape £354 (+20); feed peas £246 (+16); feed beans £236 (+16).

C Livestock

- 1 The average live-weight cattle prices for steers and heifers moved in similar ways during November: falling back marginally, then recovering, then ending the month with a significant gain in the final days. The average steer price initially fell from its opening average of 261p/kg lw to a low of 258p/kg before climbing back, however, the final week saw a jump, leading to a closing average of 281p/kg lw (up 20p, to sit 25p/kg above the average a year earlier). The average finished heifer price fell from an opening position of 273p/kg lw to 265p/kg before recovering, followed by a late jump of over 20p/kg to reach a closing average of 291p/kg (up 18p, to sit 23p above the average a year earlier). The average dairy cow price remains volatile, with a swing of almost £400 per head this month, unexpected in light of the falling milk price. Dropping from the opening position of £1,358 per head to a low of £1,249, the average then improved significantly to a peak of £1,633 per head before falling sharply again to close at £1,276 per head (down £82 to sit £259 below the average a year earlier).
- 2 The new season average finished lamb price (SQQ live weight) closed marginally up overall, but that result glosses over the volatility seen over the course of the month. Opening at 258p/kg lw, the average dropped to 249p early on and then rose to a peak of 267p/kg before falling back to close the month at 259p/kg, up 1p/kg to sit 13p/kg above the average a year earlier.
- 3 The average UK all pig price (APP) fell again this month, as demand across the UK and EU continues to reduce. Opening at 220p/kg dw, the average price fell back steadily throughout the month to close at 217p/kg dw (down 3p to sit 12p above the closing average a year earlier).

- 4 UK milk price improved by a very small margin overall, with the UK average 'all milk' price for September of 36.36ppl; up 0.14ppl from the August average, 12.9ppl below the price a year earlier but still tracking 2.02ppl above the rolling 5-year average of 34.34ppl. The EU average for September was 38.55ppl; 0.06ppl below the August average and 10.56ppl below the price a year earlier.

VI Other crop news

- 1 The AHDB Early Bird survey suggests that the 2023/24 wheat area will fall by 1.3 per cent, compared to a year earlier, with the fall entirely in the winter wheat crop, spring wheat will be up 23 per cent but from a very low base. The winter barley area is expected to be down 6 per cent while spring barley will be up 13 per cent. The oats area will be up 12 per cent as a result of an increase in the spring crop. The oilseed rape area will be down 16 per cent while the pulses area will be down 10 per cent. Other oilseeds, such as linseed, will be down 22 per cent, other cereals, such as triticale, down 18 per cent and potatoes down 3 per cent. All this is leading to an increase of 27 per cent in arable fallow.
- 2 AHDB data shows that wheat imports for this season are estimated to be 1.425 million tonnes, up 6 per cent on 2022/23. Oats imports are estimated to be up 71 per cent at 30,000 tonnes. In both cases, the higher levels are due to the quality of the 2023 crop.
- 3 The Agricultural Price Index for September shows falls of 26.4 per cent for wheat, compared to a year earlier, 23.9 per cent for barley, 12.6 per cent for oats and 32.2 per cent for oilseed rape while there were increases of 59.6 per cent for potatoes, 16.2 per cent for forage plants, 3.1 per cent for fresh vegetables and 76.3 per cent for fresh fruit. Compared to August, there were falls of 0.4 per cent for barley, 15.2 per cent for potatoes and 3.8 per cent for fresh vegetables while there were increases of 1.3 per cent for wheat, 2.1 per cent for oats, 0.5 per cent for oilseed rape, 5.6 per cent for forage plants and 10.6 per cent for fresh fruit.
- 4 The latest AHDB Recommended Lists have been published. Winter barley has S7 Buzzard, the first six-row hybrid with tolerance to Barley Yellow Dwarf Virus, and LG Capitol, a two-row feed variety. Spring barley has six new varieties, all under evaluation for malting, Bounty, NOS Gambit, LG Aquarius, Belter, Olsen and NOS Munro. Winter wheat has five new varieties, SY Cheer is a provisional UKFM Group 1 variety; Bamford and Almara are Group 3 varieties; Blackstone is a Group 4 soft wheat; and LG Beowulf is a Group 4 hard wheat. Spring wheat has Group 2 WPB Mylo and Group 4 hard wheat SEW19-3003SW. LG Armada, LG Academic, LG Adeline and Dolphin are hybrid winter oilseed rape varieties, Pi Pinnacle is a conventional variety; and Miraculix CL is a new Clearfield variety. Asterion is a new husked variety of spring oats while Ovation is a spring naked oat.
- 5 World Potato Markets has estimated the UK potato crop to be 4.2 million tonnes, the lowest ever. UK self-sufficiency was estimated at 63 per cent in 2022, down from 90 per cent in 2006, and this year it may fall below 60 per cent. It is estimated that 10 per cent of the crop has not been lifted while across the Irish Sea as much as 40 per cent of the crop remains to be harvested.
- 6 The British Beet Research Organisation has expressed concern over the increased spread of Syndrome Basse Richesse and Rubbery Taproot Disease which are becoming more common in Germany, Poland and Austria. Syndrome Basse Richesse can cause a 5 per cent reduction in sugar content and a 25 per cent fresh mass reduction while both make harvesting more difficult as well as slicing in the factory.

- 7 Branston is to open a mashed potato facility in Lincolnshire to supply supermarkets.
- 8 Based in Norfolk, the world's largest vertical farm has been completed for Fischer Farms. Covering just 4 acres of land, the LED-based lighting scheme will help produce 250 times more leafy greens than conventional farming.
- 9 Oasthouse Ventures has unveiled plans for a 40-hectare greenhouse complex near Braintree, Essex. The partnership will include Wren Renewables and the Indaver Waste Management Facility which will provide the heat for Rivenhall Greenhouse. It will have the capacity to produce 28,000 tonnes of vine tomatoes each year, or 7.1 per cent of the UK's imports, and a vertical farming facility will produce 375 tonnes of leafy greens each year.
- 10 A consortium of Vegetable Consultancy Services UK Ltd, Frederick Hiam Ltd and Crop Health and Protection and funded by Innovate UK is to investigate post-harvest storage practices for parsnips and carrots to avoid the need for in-field storage.
- 11 Fera Science has launched two Enigma research projects connecting tomato growers and vertical farming organisations with world-class science. Enigma II is aiming to tackle the increase in tomato brown rugose fruit virus to build a more effective toolkit for disease monitoring, prevention and outbreak management. Enigma III, in partnership with the Fresh Produce Consortium and supported by the Food Safety Research Network, will build the 'first of its kind' food safety guidance for the vertical farming sector.
- 12 Launched by Intelligent Growth Solutions and spanning four continents, an international research network has been established to bring together leading minds in crop and data science to drive innovation in vertical farming.
- 13 Bristol-based indoor farming technology company LettUs Grow claims it can reduce the time to grow productive strawberry plants to 5 weeks using aeroponics.
- 14 Teagasc, the Irish Agriculture and Food Development Authority, has established a new apple research orchard at its crops research centre in Oak Park, Carlow.
- 15 The Observatory of Greenhouse Gas Emissions of the Universitat Politècnica de Valencia has published the Analysis of the Life Cycle of Wood Packaging. The study, which was focused on packaging for fruit and vegetables, found that wood packaging is the most sustainable and it has a lower environmental impact in all categories including a water footprint that is 'practically zero' in its production.

VII Other livestock news

- 1 Bluetongue virus has been detected in cows on a farm in Kent. Movement restrictions have been imposed.
- 2 The Veterinary Medicines Directorate has reported that UK antibiotic sales for food-producing animals have fallen by 9 per cent since 2021 and by 59 per cent since 2014 to 25.7mg/kg. Sales of Highest Priority Important Antibiotics account for less than 0.5 per cent of total sales.
- 3 The Food Standards Agency has reported that a shortage of Official Veterinarians could pose a major challenge to UK food safety.
- 4 The Agricultural Price Index for September shows increases of 5.4 per cent for cattle and calves, compared to a year earlier, 12.6 per cent for pigs, 4.6 per cent for sheep and lambs, 14.7 per cent for poultry and 38.4 per cent for eggs but there was a fall of 26.2 per cent for milk. Compared to August, there were increases of 0.3 per cent for cattle and calves and 0.4 per cent for milk but falls of 0.9 per cent for pigs, 4 per cent for sheep and lambs and 4.9 per cent for poultry.

- 5 During October, UK prime cattle slaughterings fell by 2.1 per cent, compared to a year earlier, to 180,000 head; beef and veal production fell by 3.3 per cent to 82,000 tonnes; sheep slaughterings fell by 2.5 per cent to 1,105,000 head; mutton and lamb production fell by 3.6 per cent to 25,000 tonnes; pig slaughterings fell by 7.9 per cent to 882,000 head; and pigmeat production fell by 7.8 per cent to 82,000 tonnes.
- 6 Lumpy skin disease has been identified for the first time in South Korea on a farm containing 41 cattle. Since the first outbreak in late October there have been a further 88 cases.
- 7 BCMS data shows that calf registrations to dairy dams fell by 0.9 per cent in the 3 months to September compared to a year earlier.
- 8 An AHDB survey has revealed a fall in dairy producers of 4.5 per cent, compared to a year earlier, to 7,500 but the number is only down 0.9 per cent compared to April.
- 9 In the 6 months to September, organic milk production fell by 15 per cent, or 35 million litres, while organic milk demand has fallen by 14.2 per cent.
- 10 The latest Global Dairy Trade Event on 7 November resulted in a fall in the Global Dairy Trade Price Index of 0.7 per cent. Whole Milk Powder fell by 2.7 per cent to \$2,971/t and butter by 1.6 per cent to \$4,890/t. However, Skimmed Milk Powder rose by 2.3 per cent to \$2,724/t and cheddar by 4.5 per cent to \$4,042/t.
- 11 Recent diagnostic testing on 274 bulk milk tank samples has revealed that 50 per cent of herds tested were positive for Q fever, a disease which can affect productivity and also a health risk to all those in contact with infected animals.
- 12 During October, average butterfat increased by 2.9 per cent, compared to September, to 4.3 per cent but fell 0.5 per cent compared to a year earlier. Average protein increased by 2.7 per cent and 1.1 per cent respectively to 3.51 per cent.
- 13 During October, UK dairies processed 1,144 million litres of milk, up 7.6 per cent on September. Liquid milk production rose by 7.4 per cent to 510 million litres; cheese production rose by 5.2 per cent to 40,500 tonnes; milk powder production rose by 33 per cent to 6,200 tonnes; but butter production fell by 6.2 per cent to 13,000 tonnes.
- 14 Ruminant Health and Welfare has launched the UK Sheep Welfare Strategy 2023-2028 designed to help the sheep sector show progress in sheep welfare by 2028.
- 15 Highly pathogenic avian influenza H5N1 has been confirmed in commercial poultry at premises near Donington, Lincolnshire; Cranbrook, East Devon; and Wooler near Berwick-upon-Tweed. A case has also occurred in the Orkney Islands.
- 16 In the three months to September, 109 million dozen eggs were packed in the UK packing stations, down 2.1 per cent on a year ago but 2.2 per cent up on the quarter to June. The average farm-gate price was 140.5p per dozen, 41 per cent up on a year earlier and 5.2 per cent up on the June quarter.

VIII Inputs/Supply businesses

- 1 The European Commission is to renew the approval of glyphosate for a further 10 years subject to certain conditions and restrictions.

- 2 The Agricultural Price Index for September shows increases of 15.2 per cent for chemicals, compared to a year earlier, 2.8 per cent for veterinary services and 8.6 per cent for equipment maintenance but there were falls of 2.2 per cent for seeds, 9.6 per cent for energy and lubricants, 51.7 per cent for fertilizers, 13.5 per cent for animal feedingstuffs and 1.8 per cent for buildings maintenance. Compared to August, there were increases of 0.3 per cent for seeds, 4.5 per cent for energy and lubricants, 0.6 per cent for fertilizers, 4.8 per cent for chemicals, 0.2 per cent for veterinary services, 0.6 per cent for animal feedingstuffs and 1.8 per cent for equipment maintenance but a fall of 0.7 per cent for buildings maintenance.
- 3 Data on soil nutrient balances for 2022 has been published. The overall nitrogen balance for the UK was a surplus of 87.0kg/ha, down 6 per cent on 2021. The decrease was driven by a decrease of 1.5 per cent in inputs, mainly from reduced use of inorganic manufactured fertilizer, and an increase of 2.6 per cent in offtake due to increased cereal and oilseeds production. The overall phosphorus balance was a surplus of 3.2kg/ha, down 43.5 per cent on 2021. Inputs of phosphorus fell by 7.3 per cent to the lowest figure since records began in 2000 while offtake increased by 4.8 per cent.
- 4 Emergency Authorisations have been granted for maize seed treatments including Korit bird deterrent, Redigo M fungicide and Force 20 CS insecticide.
- 5 BASF has launched Privest, a new late blight fungicide.

IX Marketing

- 1 Hybu Cig Cymru has announced that agreements have been reached for the export of Welsh lamb to Japan and also to up to 1,000 stores in a major German retail chain.
- 2 Muller's milk round and doorstep delivery service has been sold to Freshways.
- 3 Beef exports in September totalled 8,250 tonnes, similar to August but down 12 per cent on a year earlier. In the year to date, exports to the EU have been particularly hard hit with the UK share of the market falling from 36 per cent to 28 per cent. Beef imports were steady at 18,350 tonnes but the year to date is down 4 per cent at 165,000 tonnes.
- 4 A survey by British Berry Growers has found that 80 per cent of soft fruit growers no longer perceive their relationship with supermarkets as a partnership; 40 per cent believe that supermarkets are only interested in buying on price; 68 per cent are indicating a reduction in investment plans; and only 4 per cent are considering expansion.
- 5 A survey conducted by WF Denny has revealed that 60 per cent of consumers support the banning of individually wrapped fresh produce; 58 per cent would like a ban on any plastic packaging on fruit and vegetables; 34 per cent want a ban on plastic packaging on meat; and 57 per cent want black plastic food trays abolished.
- 6 Dairy exports in the 3 months to September are up 4 per cent compared to a year earlier but are only up 1 per cent in the year to date, with growth areas being Egypt, Libya, Nigeria, Morocco, Bahrain and UAE. Cheese exports are down 0.9 per cent in the year to date.
- 7 Data from Kantar covering the 16 weeks to 3 September shows that pigmeat continues to dominate the consumption of meat, fish and poultry at 38 per cent with sausages making up 20 per cent of the pigmeat share. While beef consumption as a whole rose, volumes of fresh and frozen burgers fell by 5.4 per cent, beef steaks by 33 per cent and roasting joints by 37 per cent. BBQ occasions fell by 15 per cent, compared to a year earlier, and were down 28 per cent on 2020 mainly due to the poor weather in July and August.

- 8 Pigmeat exports in August were steady at 65,600 tonnes but were up 4,700 tonnes on a year ago. Exports totalled 24,000 tonnes down 16 per cent on 2022.
- 9 According to Kantar, in the year to 1 October, volume sales of leafy salads fell by 10.2 per cent while value sales fell by 4.1 per cent.
- 10 China has suspended imports of beef from Ireland following a case of atypical BSE.
- 11 ITN Business, in association with AHDB, has launched a news-style programme Farming a Greener Future.
- 12 British Apple Month, held in October to mark the new season, saw Lidl take 22.1 per cent of all apple sales compared to its grocery market share of 7.6 per cent whereas Tesco's apple sales were 9.8 per cent of the total compared to its market share of 27.4 per cent.
- 13 In the 12 weeks to 2 October, berry sales increased by 10.5 per cent in volume compared to a year earlier.

X Miscellaneous

- 1 Steve Barclay has been appointed Defra Secretary of State.
- 2 A giant of the fruit industry, Adrian Scripps, has died, age 86.
- 3 Data from the Agricultural Engineers Association shows that 10,709 tractors were registered in the first 10 months of the year, up 5 per cent on 2022 and 30 per cent above the 5-year average.
- 4 The AHDB's Blue Marble study shows that 62 per cent of survey respondents are very or somewhat positive about British agriculture, 24 per cent are neither positive nor negative while only 6 per cent are negative. There has been little change over the past 5 years.
- 5 A CPRE study, Unravelling a Crisis: The State of Rural Affordable Housing in England, has revealed that rural homelessness has risen by 40 per cent since 2018 and that more than 300,000 people are on waiting lists for social rented housing in rural England, an increase of 10 per cent over the same period.
- 6 In 2020:
 - 9.7 million people lived in Rural areas in England compared with 46.9 millions in Urban areas; over the previous decade these figures increased by 6 per cent and 6.6 per cent respectively.
 - 25.4 per cent of the Rural population were over 65 compared to 17.1 per cent of the Urban population.
 - The 'white ethnic' group accounted for 96.8 per cent of the Rural population compared to 81.7 per cent in Urban areas.
 - In 2019/20 there was a net internal migration of 97,500 to Predominantly Rural areas with 34,100 of those being aged 17 to 20.
- 7 Latest data on housing shows:
 - 1 in every 14 Rural homes is a flat compared to 1 in 4 Urban homes.
 - More new Rural dwellings were started in 2021/22 than in any of the previous 15 years.
 - Proportionately, the housing stock is growing faster in Rural areas than in Urban areas.
 - 9 out of 10 additions to the housing stock in Rural areas are new builds.

- In the first quarter of 2023, the average residential sale price in Rural areas was £424,000, £125,000 more than Urban areas excluding London.
 - The most expensive Rural area was Radlett, Hertfordshire.
 - There are 100,000 second homes in Predominantly Rural areas.
 - Almost 200,000 Rural homes are second homes or are empty.
 - More than half of new Rural addresses were on land previously in agricultural use and 2 in 3 were on previously non-developed land.
- 8 The Agro Food Robotics programme at Wageningen University & Research has been rebranded as Vision + Robotics.
 - 9 Graham Wilkinson is to be the new CEO of AHDB having been Global Vice President, Agriculture at Arla Foods.
 - 10 The Welsh Government has published An Agri-Tech Action Plan for Wales.
 - 11 The School Farm Visits Support Programme has commenced with Countryside Educational Visits Accreditation Scheme training for 20 farmers. Once complete, each farmer will plan and deliver one school farm visit for approximately 30 young people lasting either a full or a half-day.
 - 12 Vegetable handling equipment manufacturer Tong Engineering has acquired Terry Johnson Ltd, producer of the Swift Lift range of elevators and conveyors.
 - 13 A new partnership between the Institute for Agriculture and Horticulture and Growing Kent & Medway is hoping to entice a new generation into a career in horticultural food and drink production.
 - 14 Dutch company Sormac, the world-leading developer and manufacturer of machinery and processing lines for the fresh-cut industry, has opened a new facility in Bury St Edmunds, Suffolk.
 - 15 Victoria Vyvyan has been announced as the new president of the CLA.

Postscripts

- 1 A little girl was leaning into a lion's cage. Suddenly, the lion grabs her by the collar of her jacket and tries to pull her inside to slaughter her, all under the eyes of her screaming parents.

A biker jumps off his Harley, runs to the cage and hits the lion square on the nose with a powerful punch.

Whimpering from the pain, the lion jumps back, letting go of the girl, and the biker brings the girl to her terrified parents, who thank him endlessly.

A news reporter, Nora Lessburg, had watched the whole event.

Nora, addressing the bikers says "Sir, this was the most gallant and bravest thing I've seen a man do in my whole life."

The Harley rider replies. "Why, it was nothing, really. The lion was behind bars. I just saw this little kid in danger and acted as I felt right."

Miss Lessburg continues “Well, I’ll make sure this won’t go unnoticed. I’m a journalist you know and tomorrow’s news will run this story. So, what do you do for a living and what political affiliation do you have?”

The biker replies. “I’m a British Army veteran, a Conservative and I voted for Brexit.”

The journalist leaves.

The following morning the biker clicks on the website to see if it indeed brings news of his actions.

News Headline: RIGHT WING UK VETERAN ASSAULTS AFRICAN IMMIGRANT AND STEALS HIS LUNCH.

- 2 A man walks into a bookshop and says “I’m looking for a book by Shakespeare.”

The shop assistant asks “Which one?”

The man replies “William”

- 3 A grizzled old farmer walks into his bedroom, where his old hag of a wife is getting dressed, with a sheep tucked under his arm.

“This is the pig I sleep with when you get a headache!” he announces.

“I think you’ll find that’s a sheep” she says.

“I think you’ll find I was talking to the sheep.”

4. A man walked into a pet shop. He said “12 bees, please”. The assistant counted 13 and gave them to him. “I asked for 12”, he said. “Oh don’t worry” replied the assistant, “it’s a free bee”.

5. What is an Italian suppository called?

An innuendo.

6. To open a specialist animal park, you need a few things ...

At least one grizzly, a polar, a koala and a pair of pandas.

That’s the absolute bear minimum.

7. Nationwide must have looked pretty silly when they opened their first branch.

Monthly Farming Update

Second-class businesses?

On 22 November, the Chancellor presented his Autumn Statement which was generally well received. But what will the effect on the farming sector be? The answer is that an increasing degree of discrimination appears to be creeping into the tax system.

Much has been made of 'full expensing', enabling an unlimited amount of qualifying expenditure on plant and machinery to be immediately deducted from taxable profits designed to encourage investment. However, 'full expensing' only applies to limited companies, not to sole traders or partnerships and, bear in mind, the majority of farming businesses are family run and operate as partnerships.

Most unincorporated businesses are entitled to claim the Annual Investment Allowance of 100 per cent on qualifying plant and machinery costing up to a total of £1 million in any fiscal year and that should be enough for all but the largest partnerships but why the need to differentiate between incorporated and unincorporated businesses?

The situation is even more unfair where a partnership includes a corporate member or a family trust. In such cases even the Annual Investment Allowance is not available and relief is restricted to 18 per cent per annum at best.

There is then the issue of National Insurance contributions.

Self employed persons, including partners, will be pleased with the abolition of Class 2 contributions and a reduction of 1 per cent for Class 4 contributions, a saving of up to £556 per year. Yet employees, including directors, have been rewarded with a 2 per cent reduction, a saving of up to £754 per year.

The final point covers Research & Development expenditure. There has been much concern about fatuous claims and the cost to the Exchequer. This country has some of the finest scientists in the world and R&D expenditure is essential if we are to build a better future, it is therefore a pity that the sector can get a bad name by bodies that almost manufacture spurious claims to relief.

However, leaving aside this rant, R&D relief is only available to companies. Farmers are constantly innovating and may have a genuine claim to relief, but unless they act as a corporate, relief is not available.

There is one saving grace. Being self-employed, in the main you are only answerable to yourself!!

We welcome feedback on the MFU.

Does this issue raise any questions in your mind?

Would you like more information on a particular item?

Please ring one of our agricultural specialists:

Karen Blackiston

Nick Holmes

Iain Morris

Ben Wilkinson

Chavereys Limited

The Goods Shed
Jubilee Way
Faversham
Kent
ME13 8GD

Tel: 01795 594495
Fax: 01795 594499

E-mail: mfu@chavereys.co.uk
www.chavereys.co.uk

If you would like to add a friend or colleague's name to the mailing list please contact Lindsay Glead

The MFU was edited from 1991 to 2006 by John Nix, Emeritus Professor of Farm Business Management at Imperial College London



CHAVEREYS