

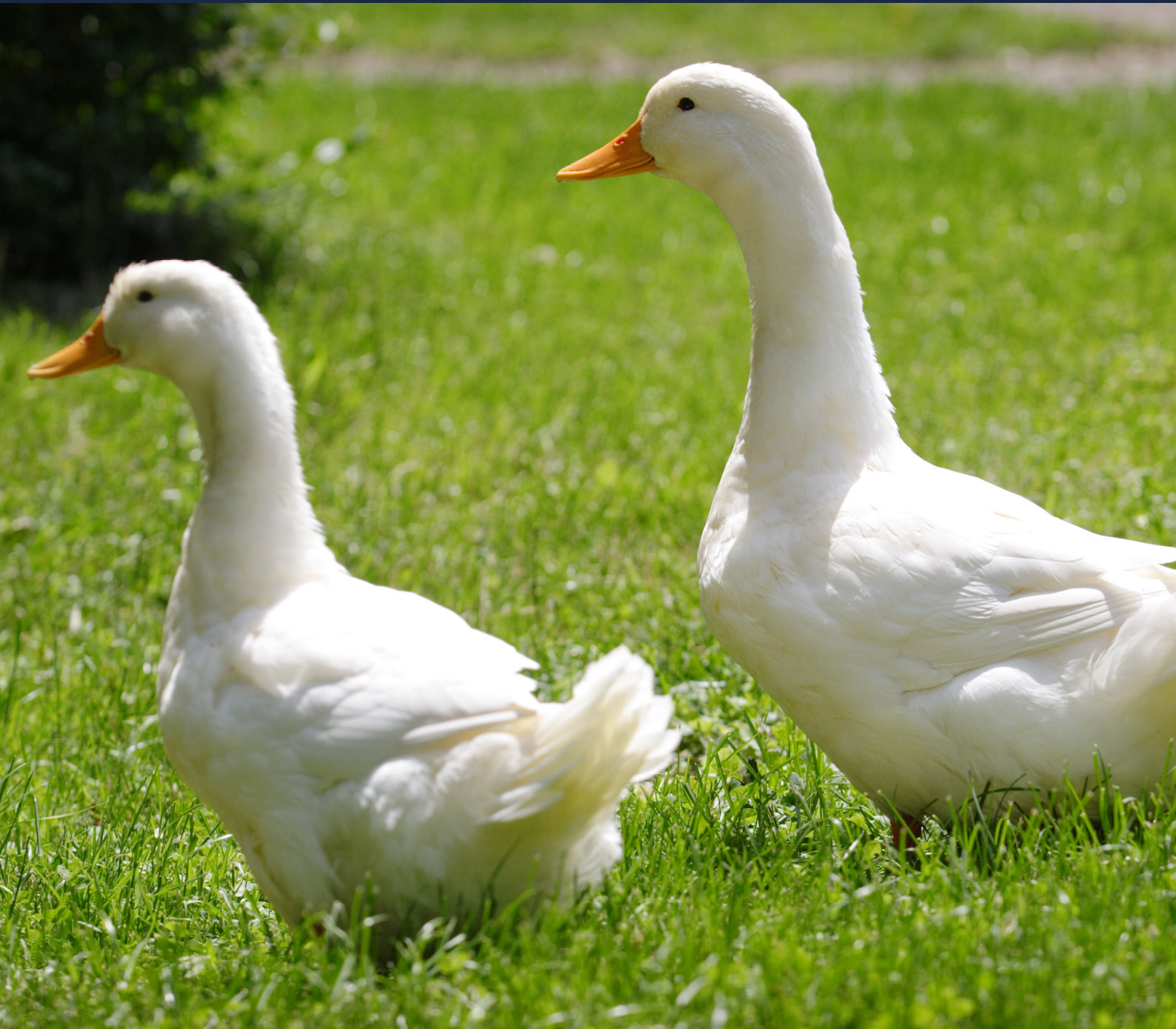


**CHAVEREYS**

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**MONTHLY FARMING UPDATE**

**June 2024**





### I Policy issues

- 1 Defra has published 'A blueprint to grow the UK fruit and vegetable sector.' This includes:
  - An assessment of the horticulture sector's eligibility for decarbonisation, waste heat and clean energy incentives and future developments in energy policy.
  - Offering accelerator workshops with businesses and Distribution Network Operators to help the sector access grid connectivity.
  - Exploring how to encourage the co-location of Controlled Environment Horticulture industries with waste heat, waste CO<sub>2</sub> and existing heat networks.
  - Providing £75 millions to Internal Drainage Boards to accelerate the recovery from the recent winter storms.
  - Reviewing the planning barriers that may be preventing the building of glasshouses.
  - Consulting on a Permitted Development Right for small scale, single on-farm wind turbines.
  - Developing a Horticulture Resilience and Growth Offer with funding of £80 millions with up to £10 millions available to help orchard growers access technology, equipment and infrastructure and up to £50 millions for packhouse automation.
  - Extending the Seasonal Worker visa scheme to 2029 with the number of visas in 2025 set at 43,000.
  - Investing an additional £15 millions in the Genetic Improvement Networks.
  - Implementing the Precision Breeding Act making it possible to develop new products in years rather than decades and bringing them to market more easily.
- 2 Defra has announced the launch of a new expert advisory group to explore possible routes to generate commercial returns from the department's R & D and innovation spending. This may include the creation of a new fund supporting groundbreaking initiatives in the agri-tech and environment sectors. Joint ventures, revenue sharing arrangements and the licensing of intellectual property may be pursued.
- 3 The Animal Welfare (Livestock Exports) Act, which bans the export of live animals for slaughter and fattening, has received Royal Assent.

### II Reform

- 1 Details of the expanded and improved Sustainable Farming Incentive, which will apply from July, have been published. The offer will be open to new entrants for the first time and will initially comprise 102 actions including more than 20 new options to support more sustainable food production including payments for precision farming, agroforestry, a new and expanded offer for upland farmers and more actions for tenants on short-term contracts. Over 50 simplified actions from the Countryside Stewardship Mid-Tier will be merged into the Sustainable Farming Incentive to streamline the application process.
- 2 Defra has launched a new tool 'Find funding for land or farms' to act as a signpost towards available funding.
- 3 The Management of Hedgerows Regulations 2024 have come into force. The regulations include a two-metre buffer strip where a green cover must be established and no cultivation or the application of pesticides or fertilizer is permitted. Hedgerow cutting is banned between 1 March and 31 August.



- 4 Applications for the Countryside Stewardship Higher Tier will open next winter with agreements due to commence in January 2025.
- 5 The Welsh Government has confirmed that the Sustainable Farming Scheme in Wales will be postponed until 2026 and the Basic Payment Scheme will continue in 2025.
- 6 Over 1,000 sheep farming businesses in Scotland have received a share of £6.6 millions in May under the Scottish Upland Sheep Support Scheme.

### III Grants/regulations/legislation/environment

- 1 Data has been published on the UK's carbon footprint to 2021:
  - Between 2020 and 2021, the UK's carbon footprint increased by 15 per cent reflecting increased emissions from all activities but especially from imported goods.
  - The footprint peaked at 963 million tonnes in 2007 but has since fallen by 27 per cent.
  - Greenhouse gas emissions associated with imports from China have risen by 114 per cent since 1996.
  - Emissions relating to the consumption of goods and services produced in the UK have fallen by 54 per cent since 1996.
- 2 The results of the February 2023 Farm Practices Survey have been published. This shows:
  - 56 per cent of holdings have a nutrient management plan.
  - 9 per cent of farms process waste by anaerobic digestion compared to 5 per cent 5 years ago.
  - 53 per cent of farms are taking action to reduce greenhouse gas emissions mainly by improving energy efficiency and recycling waste materials.
  - 81 per cent of farms spread manure or slurry on grass or arable land while 84 per cent spread fertilizer.
  - 75 per cent of farms store manure in heaps in fields or on a solid base while 19 per cent store slurry in storage tanks.
  - 73 per cent of livestock farms have a Farm Health Plan.
  - 74 per cent of livestock farms sow some or all of their temporary grassland with a clover mix, with high sugar grasses sown on 59 per cent of holdings.
  - 71 per cent of livestock farms use a ration formulation programme or nutritional advice.
- 3 AHDB and Quality Meat Scotland are investing £2.5 millions to create the opportunity for a nationwide standardised data set across the beef and lamb, cereals and oilseeds, dairy and pork sectors which will enable more accurate reporting of emissions and the environmental impact of agriculture. 170 farms will be involved in the pilot scheme.
- 4 The Welsh Government is to provide £20 millions to support farms in becoming compliant with the 'Agriculture Pollution' regulations by enabling them to invest in on-farm infrastructure.
- 5 Defra has announced additional funding of £11.5 millions for the Water Environmental Improvement Fund to support 180 projects across England. Projects will include:
  - The Limestone Becks River Restoration project in Lincolnshire to provide improved habitats for wildlife.
  - Phase II of the York Urban Becks project to create a more natural river course and support local habitats.



- The Woods for Devon project, creating woodlands to improve water quality. It is expected that 300km of rivers will be protected and improved and 160 hectares of inland and coastal waters will be restored.
- 6 Natural England has declared that England's largest temperate rainforest, Borrowdale, a 721-hectare National Trust site in Cumbria, is to become a new National Nature Reserve. The site is the wettest inhabited place in England.
- 7 The Government has announced funding of £1 million to help 26 councils combat fly tipping.
- 8 During May, there have been confirmed Asian Hornet sightings in Four Oaks in East Sussex (4), Lympne, Adisham, St. Margaret's Bay, Canterbury, Alkham, Denton and Etchinghill, all in Kent.
- 9 Forest Research has revealed that, in the year to March 2024, there were 2,350 tree pests and diseases reported via the Tree Alert service.
- 10 Bradgate Park and Swithland Wood has been designated a National Nature Reserve. The 439-hectare site in Leicestershire holds rare examples of fossils from the Precambrian Period, over 500 million years ago. Ediacaran biota proved Charles Darwin's theory that Precambrian seas must have hosted life. It is also home to the rare Charnwood spider.
- 11 The 2024 Tesco Agri T-Jam start up competition is open for applications from agri-tech innovations that will help its supply chain achieve net zero, protect and restore nature and improve animal health and welfare.
- 12 Defra has provided additional funding of £4 millions to the Forest Research Alice Holt Research Station in Surrey to investigate tree-disease spreading beetles such as Emerald ash borer and the larger eight-toothed spruce bark beetle. The existing Holt containment laboratory will double in size.
- 13 Moccas Park National Nature Reserve in Herefordshire has been expanded from 139 to 239 hectares and renamed Moccas Park and Gillian's Wood National Nature Reserve.
- 14 Aston Institute of Photonic Technologies has been awarded £174,000 to improve polarimetric LIDAR, a technology that uses light to remotely observe plants. Devices with this technology can be placed on drones and flown over crop fields to provide real-time information about crop health.
- 15 The Welsh Government has named 6 further sites under the National Forest for Wales scheme at Castle Copse in Abergavenny, Cwm George and Casehill Woods in Dinas Powys, Chirk Castle in Wrexham, Warren Wood in Powys, Coed Rhyal in Carmarthen Bay and Penllergare Valley Woods near Swansea.
- 16 The Forestry Commission has asked the public to be vigilant as the oak processionary moth caterpillar season begins. The caterpillars are predominantly found in South-East England.
- 17 A project, Decarbonising PGI Welsh Beef, has been awarded a grant of £100,000 by the ARFOR Challenge Fund.

#### **IV Other matters of farm finance and tenure**

- 1 New planning laws have come into effect which will enable farmers to convert unused buildings into new homes and business opportunities such as outdoor sports facilities, large farm shops and training centres. The permitted development rights allow for up to 10 homes without needing to submit a planning application, subject to space and natural light conditions.





- The amount of floorspace which can change from agricultural to ‘flexible commercial use’ will increase from 500 sq m to 1,000 sq m.
- The size of new buildings or extensions that can be built on farms over 5 hectares will increase from 1,000 sq m to 1,500 sq m while for farms of less than 5 hectares the increase will be from 1,000 sq m to 1,250 sq m.

Nationally important archaeological sites will be protected by removing the ability for extensions to be built and new buildings to be erected in the vicinity.

- 2 Statistics on farm business management in England in the year to February 2023 have been published. Results include:
  - 86 per cent of farms undertook at least one business management practice with the production of an informal plan being the most common at 60 per cent.
  - 28 per cent of farms had no risk management strategy while 81 per cent of cropping farms had no crop damage insurance and 81 per cent of livestock farms had no animal health insurance.
  - 23 per cent of farms attended discussion groups on business management issues with lowland grazing livestock farms least likely to attend.
  - 20 per cent of farms had a formal business plan compared to 19 per cent in 2016/17 with grazing livestock farms least likely to have one.
  - 31 per cent of farms regularly produced financial accounts, down 2 per cent on 2016/17.
- 3 The Agricultural Price Index for March shows falls of 2.7 per cent for outputs, compared to a year earlier, and 9.3 per cent for inputs. Compared to February, outputs fell by 0.2 per cent and inputs by the same.
- 4 Defra has increased the amount available to the Farming Recovery Fund by £50 millions. The scheme has been expanded to include a wider geographical area and includes farms which experienced damage due to heavy rainfall.

## **V Product prices**

### **A Market background**

- 1 Sterling improved against both Euro and US Dollar this month but not by any large margins. Having opened the month against the Euro at 85.6p, Sterling improved steadily over the course of the month to close at its peak of 85.2p per € (0.4p stronger). Against the US Dollar, the movement was similar but with a greater amplitude; Sterling climbed steadily from its opening position of 80.0p, to reach a close at its monthly peak of 78.5p per \$ (1.5p stronger).
- 2 The gold price performed another up-down cycle, improving to another high peak, albeit marginally lower than April’s all-time high, and then falling back again. From a starting position of £1,875 per troy ounce, it rose to peak at £1,930 before falling to a closing price of £1,830 per troy ounce (a fall of £45).
- 3 Crude oil prices opened May with a \$6 fall, followed by volatility throughout the month but with modest movements. Brent Crude opened at \$89.50 per barrel and fell in the opening days to \$83.00 before bouncing between \$81 and \$84 for the remainder of the month, tailing off to close at \$81.60 per barrel, down \$7.90 overall.



## B Crops

- 1 The cereals market has been more bullish this month, with increased spot prices and futures prices throughout. Sustained poor weather in Russia is the main driver, as the market attempts to estimate the impact, amplified by speculative traders cashing in and out of the market. Price support also came from concerns in South America, as the forecast maize outputs of Brazil were revised downward, however, the effect on UK prices was dampened by the increase in strength of Sterling. Average milling premiums remain above £60 per tonne. Feed wheat futures improved across the board once again, but to a larger extent in the short term and having been higher mid-month; by late May deliveries for November 2024 and 2025 were £222/tonne (+17) and £210/tonne (+5) respectively; whilst deliveries in March 2026 closed the month at £214/tonne (+5). The Oilseed rape market has seen healthy gains this month as reports from a number of the larger growers across the globe have been negative, particularly the dry conditions in Australia's South and West, hampering crop establishment. This was assisted in the short term by a rush from market traders on soyameal, however, the longer term expectations are that the global oilseed market will settle again. Average spot prices in late April (per tonne ex-farm): feed wheat £192 (+18); milling wheat £261 (+24); feed barley £171 (+13); oilseed rape £387 (+26); feed peas £288 (+20); feed beans £284 (+20).

## C Livestock

- 1 The average live-weight cattle prices for steers and heifers moved in differing directions this month, however both had an added degree of volatility. The average steer price fell from its opening average of 270p/kg lw to 267p/kg, then rose to peak at 272p/kg before falling again to close at the month's low of 261p/kg lw (down 9p, to sit 17p/kg below the average a year earlier). The average finished heifer price fell marginally in the early stages, from its opening position of 271p/kg lw to 269p/kg, then rose to a high of 277p/kg before falling back to a closing average of 274p/kg (up 3p, to sit 11p below the average a year earlier). The average dairy cow price remained volatile, albeit with a smaller swing this month; climbing from its opening position of £1,247 per head to a peak of £1,459, then falling back to £1,298 and recovering to £1,409 before falling again to close the month at £1,315 per head (up £68 to sit £310 below the average a year earlier).
- 2 The average finished lamb price (SQQ liveweight, old season) opened by continuing the falling trend seen at the end of April, but quickly recovered and increased by a significant magnitude. Opening at 377p/kg lw, the average fell to a low of 366p/kg before gaining 59p in the space of three weeks to peak at 425p/kg; a fall in the final week saw the average close the month at 402p/kg, up 25p/kg to sit 59p/kg above the average a year earlier.
- 3 The average UK all pig price (APP) opened at 213p/kg dw and in the early days fell back to 211p/kg dw, where it remained for the rest of the month and eventually closed (a fall of 2p to sit 9p below the closing average a year earlier).
- 4 The UK milk price, in the most recent reports, fell in March and initial estimates for April indicate a further reduction. However, the average price for February was restated by DEFRA to be 0.76ppl higher than previously stated. The UK average 'all milk' price for March, reported in April, was 38.13ppl: 0.62ppl below the revised February average and 5.45ppl below the price a year earlier. The EU average has not been updated, so the most recent report was for February (40.85ppl; 0.51ppl below the January average and 7.79ppl below the price a year earlier).



## VI Other crop news

- 1 The US Department of Agriculture has released its May World Agricultural Supply and Demand Estimates. Global wheat ending stocks are expected to be 253.6Mt, below estimates of 257.4Mt. US maize production in 2024/25 is forecast to be 377.5Mt, down 3.1 per cent on a year earlier. The 2023/24 Argentinian maize harvest has been reduced by 2Mt to 53Mt but remains much higher than the Buenos Aires Grain Exchange estimate of 46.5Mt. The Brazilian maize crop was also revised down by 2Mt to 122Mt but well above the Conab estimate of 111Mt.
- 2 AHDB winter crop condition reports at the end of April show improvement over March but are still well behind the figures for April 2023. 45 per cent of winter wheat is rated good or excellent compared to 88 per cent a year ago; 56 per cent of winter barley is so rated compared to 90 per cent; 53 per cent of winter oats is so rated compared to 81 per cent; and 47 per cent of winter oilseed rape is so rated compared to 66 per cent.
- 3 On farm wheat stocks at the end of March totalled 4.176 million tonnes, down 7 per cent on a year earlier; barley stocks at 866,000 tonnes, down 10 per cent; and oats stocks stood at 105,000 tonnes, down 37 per cent.
- 4 AHDB has warned of very high levels of light leaf spot in oilseed rape crops, particularly in areas of the country that have been impacted by poor weather conditions over the past few months.
- 5 Animal feed production in March fell by 0.7 per cent, compared to a year earlier, with all sectors, apart from poultry feed, seeing declines. In the period July to March, production totalled 10.2Mt, up 1.5 per cent on the previous year, but the second lowest since 2015/16. Usage of oats has declined by 35.2 per cent, wheat by 1 per cent and maize by 9.5 per cent but barley usage is up 3.3 per cent. However, wheat usage in poultry feed is up 17 per cent.
- 6 The Agricultural Price Index for March shows increases of 20.8 per cent for oats, compared to a year earlier, 71.6 per cent for potatoes, 81.9 per cent for forage plants and 12.1 per cent for fresh fruit but there were falls of 20.7 per cent for wheat, 12.5 per cent for barley, 21.5 per cent for oilseed rape and 18 per cent for fresh vegetables. Compared to February, there were increases of 1.8 per cent for oats, 2 per cent for oilseed rape, 9 per cent for forage plants and 5.6 per cent for fresh fruit but falls of 6.3 per cent for wheat, 3.2 per cent for barley, 1.3 per cent for potatoes and 2.8 per cent for fresh vegetables.
- 7 Bayer has reported that average oilseed rape losses over winter in its strip-trial programme are only 8 per cent compared to 21 per cent in 2022/23.
- 8 JW Allen & Sons of Attleborough, Norfolk, grower of the renowned Portwood Asparagus brand, is to cease growing the crop due to the difficulties of obtaining labour.
- 9 Scientists at the University of Hertfordshire have reported that silicon can double the weight of courgette fruit and strengthen the plant against powdery mildew.
- 10 Norfolk-based Global Plant Genetics Ltd has launched Tropical Blue, an early blueberry variety with an average fruit size of 20mm, Brix levels of 14.5 and an average yield of 1.5kg of fruit per plant where crops are less than one-year old. It is expected to become one of the leading varieties in the evergreen/zero chilled blueberry market.
- 11 Bulmers Cider, owned by Heineken, has grubbed a 300 acre orchard in Monmouthshire citing reduced demand for cider. The National Association of Cider Makers has reported the loss of over 2,000 acres of cider apple orchards in the past few years as, over the last 10 years, cider sales have fallen by over a third.



- 12 The fourth Wageningen University & Research Autonomous Greenhouse Challenge has commenced. 23 teams from around the world will use artificial intelligence and machine learning to grow dwarf tomatoes autonomously.
- 13 Belgian-Dutch company Octiva has introduced a larger-scale model of its Lumion UV-C robot which can drive autonomously through a greenhouse without using a pipe-rail system.
- 14 Bayer Crop Science and Gardin Agritech have partnered to optimise water management strategies in protected cultivation under plastic cover. The partnership has produced water savings of 25 per cent while not affecting the yields of peppers.
- 15 Queen Mary University of London, Extend Robotics and East Anglian-based vineyard Saffron Grange have joined forces to develop cloud-connected AI components that will enable the robotic automation of tasks such as pruning and the harvesting of grapes.
- 16 NIAB has launched the NIAB Vine Club to allow members to benefit from emerging, innovative research.

## VII Other livestock news

- 1 In 2023, EU beef production fell by 3.9 per cent and a further reduction of 2.3 per cent is forecast in 2024, with Italy seeing the greatest decline at 17 per cent. EU per capita beef consumption fell by 4.7 per cent in 2023 and a fall of 2.8 per cent is forecast for 2024. EU production of sheep and goat meat fell by 5 per cent in 2023 and a fall of 4.9 per cent is forecast in 2024. EU per capita sheep and goat consumption fell by 3.3 per cent in 2023 and is expected to fall by a further 3.5 per cent in 2024.
- 2 The Scottish Government has confirmed the existence of a case of BSE on a farm in Ayrshire.
- 3 The Animal and Plant Health Agency has advised that there is a very high probability of a new introduction of bluetongue virus (BTV-3) into livestock in Great Britain this year through biting midges being blown over from northern Europe. Biting midges are most active between April and November.
- 4 The number of new herd bovine TB incidents in the year to December 2023 in England fell by 17 per cent, compared to a year earlier, with falls of 19 per cent in the High risk area and 9 per cent in both the Edge and Low risk areas. There was a fall of 18 per cent in Scotland but an increase of 3 per cent in Wales. The number of herds not officially TB free in England fell by 8 per cent with falls of 11 per cent in the High risk area and 5 per cent in the Low risk area but an increase of 1 per cent in the Edge area. There was a fall of 21 per cent in Scotland but an increase of 5 per cent in Wales.
- 5 Defra has reported that any vaccine against Bluetongue virus BTV-3 must go through 'full market authorisation' despite the fact that a vaccine has been given emergency approval in the Netherlands where there have been more than 6,000 cases.
- 6 During April, UK prime cattle slaughterings rose by 9.8 per cent, compared to a year earlier, to 178,000 head; beef and veal production rose by 7.9 per cent to 76,000 tonnes; sheep slaughterings fell by 13 per cent to 822,000 head; mutton and lamb production fell by 5.1 per cent to 21,000 tonnes; pig slaughterings rose by 6.8 per cent to 819,000 head; and pigmeat production rose by 8.2 per cent to 77,000 tonnes.
- 7 Statistics have been published on the change in livestock breeds between 2020 and 2024. Interesting changes in cattle include increases of 13 per cent for Lincoln Red, 11 per cent for Beef Shorthorn, 11 per cent for Devon and 9 per cent for Galloway but falls of 23 per cent for Ayrshire, 20 per cent for Aberdeen Angus, 18 per cent for Dexter, 11 per cent for Guernsey, 10 per cent for Hereford and 7 per cent for Sussex.





In sheep there were increases of 212 per cent for Romney, 36 per cent for Poll Dorset and 15 per cent for Suffolk but falls of 26 per cent for Welsh Mountain, 23 per cent for Lleyn, 9 per cent for Swaledale and 7 per cent for Southdown. All breeds of pigs recorded falls with Landrace down 39 per cent, Large White 36 per cent, Tamworth 19 per cent, Gloucestershire Old Spot 17 per cent and both Large Black and British Saddleback 8 per cent. In goats, Toggenburg increased by 46 per cent and Golden Guernsey by 25 per cent but Saanen fell by 8 per cent.

- 8 GB registrations of beef calves in the first quarter of 2024 fell by 2.3 per cent, compared to a year earlier, to 513,000 head. Aberdeen Angus X and Aberdeen Angus calves increased by 3.3 per cent and 0.4 per cent respectively continuing the increases seen over the past 10 years. Limousin X calves fell by 8.3 per cent, Charolais X by 4.7 per cent and Simmental X by 8.1 per cent. Wagyu and Wagyu X calves increased by 108 per cent to 35,600 head.
- 9 The number of cattle in Scotland in December 2023 fell by 1 per cent, compared to a year earlier, to 1,588,053 head. The female dairy herd grew by 1 per cent to 266,002 head and male cattle grew by 1.8 per cent to 197,201 head. However, female beef cattle fell by 1.4 per cent to 612,262 head and calves by 2.6 per cent to 512,588 head.
- 10 GB registrations of calves born to dairy dams totalled 406,000 in the first quarter of 2024, up 0.7 per cent on a year earlier and the highest ever recorded figure for quarter one.
- 11 Defra is to provide £3 millions to support the creation of new and mobile abattoirs.
- 12 Figures from the Livestock Auctioneers Association show that turnover at live auctions in England and Wales exceeded £2.2 billions in 2023, £115 millions up on 2022.
- 13 The Agricultural Price Index for March shows increases of 0.5 per cent for cattle and calves, compared to a year earlier, 45.6 per cent for sheep and lambs and 12.8 per cent for eggs but there were falls of 0.7 per cent for pigs, 4.7 per cent for poultry and 14.2 per cent for milk. Compared to February, there were increases of 0.2 per cent for pigs, 14.9 per cent for sheep and lambs and 0.1 per cent for poultry but falls of 0.2 per cent for cattle and calves and 1.5 per cent for milk.
- 14 During March, liquid milk production increased by 24 per cent, compared to February, to 592 million litres; cheese production increased by 26 per cent to 48,700 tonnes; milk powder production increased by 16 per cent to 5,100 tonnes; but butter production fell by 9.9 per cent to 14,000 tonnes.
- 15 Arla has increased its conventional price by 0.45ppl to 40.45ppl while organic producers will see an increase of 1.34ppl to 49.98ppl.
- 16 The Animal Centred Controlled Environment for Dairy project, undertaken by Galebreaker and Smartbell and supported by Innovate UK, has revealed that cows housed with a mechanical ventilation system are more resilient to heat stress and can maintain milk yields for longer.
- 17 Muller has increased its price by 0.5ppl to 38ppl.
- 18 Applications have opened for the Entrepreneurs in Dairying course, held in October and organised by the Royal Association of British Dairy Farmers.
- 19 During April, average butterfat fell by 0.7 per cent, compared to March, to 4.26 per cent and by 0.2 per cent compared to a year earlier. Average protein fell by 0.3 per cent compared to March, to 3.4 per cent but was up 0.7 per cent on last year.
- 20 Arla has announced a major raft of improvements to its creameries at Lockerbie, Stourton, Aylesbury and Westbury.



- 21 The 2024/25 Recommended Grass and Clover Lists have been published and include 11 new varieties, two Italian ryegrass, six perennial ryegrass, two lucerne and one festulolium.
- 22 Defra and the Scottish Government have agreed to remove the 16-week derogation period for the labelling of free-range eggs produced by hens which are under mandatory housing measures due to avian flu.
- 23 In the first 3 months of 2024, 248 million dozen eggs were produced in the UK, 0.6 per cent up on the last 3 months of 2023 and 1.5 per cent up on a year earlier. The average farm-gate price was 143p per dozen, 3.5 per cent up on the previous quarter and 16 per cent up on a year earlier. The production of egg products totalled 17,800 tonnes, 2.2 per cent down on the previous quarter and 18 per cent down on a year earlier.
- 24 RSPCA Assured laying hen welfare standards have been postponed until February 2025.

## **VIII Inputs/Supply businesses**

- 1 The Agricultural Price Index for March shows increases of 0.3 per cent for seeds, compared to a year earlier, 4 per cent for veterinary services and 8.3 per cent for equipment maintenance but falls of 11.9 per cent for energy and lubricants, 27.5 per cent for fertilizers, 7.2 per cent for chemicals, 15.5 per cent for animal feedingstuffs and 2.3 per cent for buildings maintenance. Compared to February, there were increases of 0.8 per cent for seeds, 1.9 per cent for energy and lubricants, 0.3 per cent for veterinary services, 0.5 per cent for equipment maintenance and 0.4 per cent for buildings maintenance but falls of 3.8 per cent for fertilizers, 3.2 per cent for chemicals and 0.2 per cent for animal feedingstuffs.
- 2 Corteva Agriscience has reported that BlueN, a foliar-applied biostimulant, can provide the equivalent of 30kg/ha of supplemental nitrogen in a season to potato crops by capturing nitrogen from the air and converting it to ammonium.
- 3 The UK Agri-Tech Centre, Rothamsted Research Centre, Algalago and Harper Adams University, with support from Innovate UK, have launched a 24-month project called 'Optimising low energy extraction of kelp for soil and livestock nutrition.
- 4 Emergency approval has been granted for paraffin oil product Olie-H to be used on seed potato crops to counter non-persistent aphid-vector viruses. Potato virus Y is currently the dominant virus and is most damaging in ware crops grown from infected seed.
- 5 The Persistent Organic Pollutants Review Committee has called for comments on alternatives, impact on society, efficiency and efficacy of proposed control measures, costs and waste disposal of chlorpyrifos, an organophosphate pesticide.
- 6 Thomas Bell and Sons has acquired the Mole Valley Farmers fertilizer storage and blending facility in Newport, South Wales.

## **IX Marketing**

- 1 UK wheat imports in March totalled 199,000 tonnes taking imports in the period July to March to 1.6Mt, up 63 per cent on the same period last year. The monthly average is now 181,900 tonnes, above the 5-year average of 150,300 tonnes and well above the 2022/23 average of 111,600 tonnes.
- 2 According to Kantar Worldpanel, grocery price inflation rose by 2.4 per cent in the 4 weeks to 12 May with sales growth in the period of 2.9 per cent.



- 3 In the first 3 months of 2024, exports of dairy products fell by 0.7 per cent, compared to a year ago, to 327,300 tonnes. Exports of cheese products rose by 9,800 tonnes, whey and whey products by 2,900 tonnes and yogurt by 1,700 tonnes but milk, powdered milk and butter all registered declines. Imports grew by 5.7 per cent to 271,000 tonnes. Yogurt imports grew by 17,500 tonnes and milk and cream by 15,100 tonnes but imports of all other dairy products fell.
- 4 According to Kantar, while 25 per cent of consumers are struggling financially and 66 per cent are concerned about the rising costs of food, in the year to 17 March, the food service sector reported value growth of 15 per cent and occasion growth of 12 per cent. Volume sales of beef increased by 4.3 per cent, lamb by 0.7 per cent and pork by 8.7 per cent.
- 5 During March, UK pigmeat exports totalled 24,400 tonnes bringing the total in the first quarter to 75,500 tonnes, down 5.1 per cent on a year earlier and the lowest first quarter since 2015. Imports totalled 60,700 tonnes taking the total to 182,300 tonnes, down 1.3 per cent on a year earlier and the lowest first quarter on record.
- 6 Lidl is to invest £500 millions in the UK pork industry and has introduced the 'Lidl Pork Standard' which has moved pork producers to an open-book producer costing model which includes the on-farm cost of production, guarantees minimum producer volumes and a fixed margin for farmers.
- 7 A survey conducted by IGD has revealed that 96 per cent of consumers of animal products regard the freshness of the product as important, followed by animal welfare at 84 per cent, the support of local/British produce and the method of production both at 79 per cent.
- 8 Robert Thompson has been appointed the Supply Chain Adjudicator to enforce powers outlined in the new dairy regulation legislation which take effect on 9 July.
- 9 Rabobank is forecasting a decline of 8 per cent this year in China's imports of dairy products as a result of dairy production growth of 3.2 per cent and weaker demand. It is feared this will impact on UK producers as China's largest supplier, New Zealand, will need to provide replacement outlets.
- 10 Vietnam has given the go-ahead for selected pork sites in the UK to start commercial trade with exports valued at £12 millions expected in the next 5 years.
- 11 Doff Portland, the sole UK manufacturer of slug pellets certified for organic growing, has been awarded the King's Award for International Trade.
- 12 Vertical farm Grow Up has introduced Unbeleafable zesty baby leaves into Tesco featuring green and red baby lettuce leaves and sorrell.
- 13 Cocogreen, whose substrate is used in 75 per cent of UK berry cultivations, has received the King's Award for International Trade.

## **X Miscellaneous**

- 1 King Charles has agreed to be the Patron of the Royal Horticultural Society, the Royal Agricultural Society of England, the Royal-Highland and Agricultural Society of Scotland, the Royal Welsh Agricultural Society and the Royal Association of British Dairy Farmers. His patronage of the Yorkshire Agricultural Society and the Soil Association will continue.
- 2 The NFU's annual Farm Confidence Survey, carried out at the end of 2023, has revealed that 82 per cent of farmers believe their businesses had suffered fairly negative or very negative impacts because of the weather and 65 per cent confirmed their profits had fallen giving rise to a fear for the survival of the business.



- 3 Statistics have been published on organic farming in the UK in 2023. These include:
  - 498,000 hectares were farmed organically.
  - 60 per cent of organic land was in England, 23 per cent in Scotland, 15 per cent in Wales and 1.4 per cent in Northern Ireland.
  - Permanent pasture accounted for 62 per cent of organic land.
  - 10 per cent of organic land was used to grow cereals
  - 3 per cent of cattle were reared organically.
  - There were 5,230 organic operators.
- 4 The first UK Food Security Index has been published covering 2023/24. All Indicators are in the category 'broadly stable', meaning little change with the exception of Agricultural total factor productivity and Energy and fertilizer prices both of which are in the category 'some reduction in risks.'
- 5 The Health and Safety Executive has reportedly planned to halt regular farm safety inspections.
- 6 The Beth Chatto Symposium, to be held at the University of Essex on August 29-30, will centre around new research into underexplored aspects of the natural and subterranean world, including fungi, plants and bacteria, ideas about ecology, eco systems, habitats and the relationship between all the lifeforms within them, and practical ideas about ecological horticulture.
- 7 King's Awards for Enterprise have been granted to ADF Milking for its patented milking technology, to Cornish machinery manufacturer Teagle, to Warrendale Wagyu and Millbrook Dairy.
- 8 Following her appointment to the board of the Co-op, Christine Tacon is to step down as chair of Red Tractor.
- 9 According to NFU Mutual, farm shops are being targeted by criminals with two-thirds of shops in the last year facing costs of an average of £40,000 and 5 per cent losing between £200,000 and £500,000.
- 10 The National Farm Management Conference will be held at the QE II centre in London on 7 November. The conference will explore intelligent management for the future, covering innovations in intelligent farm systems, automation and artificial intelligence.
- 11 Fruit Focus takes place at East Malling Research Station on 10 July.
- 12 Soft fruit grower S&A Group Holdings has been awarded a King's Award for Enterprise.
- 13 Open Farm Sunday will take place on 9 June.
- 14 Soil Association Exchange, which provides an environmental impact measurement to any farmer, has undergone a 6-month review involving farmers across 200,000 hectares to double the Exchange metrics across 6 core themes of soil, water, biodiversity, carbon, animal welfare and social impact.
- 15 Perennial, the charity dedicated to supporting people in horticulture, has announced the launch of its largest ever survey into the wellbeing of those working in the industry.
- 16 The National Fruit Show is to become a one-day event this year and will be held at the Maidstone Exhibition Hall, Detling, on 6 November. Nigel Bardsley has been appointed Chairman of the Marden Fruit Show Society.





## Postscripts

1. I got one of those Humpty Dumpty toys from Aldi for my granddaughter. It's brilliant. It comes with Aldi King's horses and Aldi King's men.
2. Look, I'm all for colouring books ... But dot-to-dot books? That's where I draw the line.
3. Just saw a pensioner in the local supermarket car park collecting trolleys. He must have been pushing 80.
4. The man who invented the Knock Knock joke is getting a no-bell prize.
5. What did the octogenarian pirate say? Aye matey!
6. How does a number feel after being reduced by  $1/3$ ? Numb.
7. Why did the wind fail to topple the horse's house? Because it was stable.
8. Why did the Mexican man take medication? For Hispanic attacks.
9. Joe the lawyer died suddenly, at the age of 45. He got to the gates of Heaven, and the angel standing there said, "We've been waiting a long time for you."

"What do you mean," he replied, "I'm only 45, in the prime of my life. Why did I have to die now?"

"45? You're not 45, you're 82," replied the angel.

"Wait a minute. If you think I'm 82 then you have the wrong guy. I'm only 45. I can show you my birth certificate."

"Hold on. Let me go check," said the angel and disappeared inside. After a few minutes the angel returned. "Sorry, but by our records you are 82. I checked all the hours you have billed your clients, and you have to be 82..."

10. Not all construction work is equally exciting. For example, drilling through rock is boring, while fastening pieces of metal is riveting.
11. A young politician campaigning for votes arranged to meet with a woman's group and discuss the subject of sex. However, fearing his wife would not understand, he told her that he would be discussing the topic of sailing.

Later, the wife met up with one of the ladies from the group, who told her how entertaining her husband had been.

"I don't understand it," the wife said, "he knows so little about it."

"No," said the lady, "actually he showed intimate familiarity with the subject matter."

"But he's only tried it twice," protested the wife, "the first time he needed rescuing, and the second time he was sick."

# Monthly Farming Update

## As Lord Baden-Powell said 'Be prepared'!

Well, a General Election is looming and it would be a brave person who would bet against a Labour Government being in power by early July.

Who will have the ear of those in power? When it comes to the future of Inheritance Tax, there may be some concern in business circles if it proves to be the Institute for Fiscal Studies which published its 'Green Budget' at the tail end of 2023. What follows are the key findings of the Institute:

- For those with the wealthiest 20 per cent of parents, inheritances will rise from 17 per cent of lifetime incomes for those born in the 1960s to 30 per cent for those born in the 1980s.
- 4 per cent of deaths in 2020/21 gave rise to an Inheritance Tax liability but this is set to rise to over 7 per cent by 2032/33 and will rise from about £7 millions to over £15 billions.
- Reliefs for agricultural and business assets, AIM shares and pension funds are costly, inequitable, distort economic decisions and create opportunities for tax avoidance while the residence nil-rate band is largely of benefit to those living in London and the South.
- The abolition of agricultural and business reliefs and taxing pension funds would raise £1.5 billions each year. Restricting the reliefs to £500K per person would raise 80 per cent of the revenue from outright abolition although would remain 'unfair and distortionary'.
- Removing the residential nil-rate band and increasing the nil-rate band to £500K would cost £700 millions annually but would restrict Inheritance Tax to 4 per cent of deaths.
- Making the restrictive changes to agricultural and business reliefs and taxing pension funds could result in the nil-rate band being increased to £525K or the tax rate being reduced to 25 per cent.
- Levying Capital Gains Tax at the point of death would raise £1.6 billions each year.

The vast majority of estates which incur Inheritance Tax are located in the South of England and in seats that have historically voted Conservative. So it could be said what would a Labour Government have to lose if it took note of the IFS?

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:

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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**