



CHAVEREYS

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# MONTHLY FARMING UPDATE

# October 2024





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### I Policy issues

- I Led by the Brazilian Presidency, the UK has signed the G20 Agricultural Declaration which encourages more sustainable practices across the planet, including halting and reversing deforestation.

### II Reform

- I The annual report for 2023/24 of the Farming and Countryside Programme has been published. The principal points are:
  - 1,200 farmers exited from farming at a cost of £9 millions.
  - 7,779 holders of agreements under Environmental Stewardship and Higher Level Stewardship schemes were paid a total of £114.2 millions.
  - 30,149 holders of agreements under the Countryside Stewardship scheme were paid a total of £374.5 millions.
  - 7,118 new applications were received under the Countryside Mid Tier scheme which went live on 1 January of which 318 related to the wildlife offers.
  - 1,101 new applications were received under the Countryside Higher Tier scheme which went live on 1 January.
  - The 3 Countryside Stewardship schemes involved payments totalling £700 millions.
  - £6 millions was committed to the 22 Round 1 projects in the Landscape Recovery scheme.
  - £23 millions was committed to the Nature for Climate Fund and various tree planting schemes.
  - 1,100 projects were approved under the Farming in Protected Landscape scheme at a cost of £27 millions.
  - £13 millions was awarded under Animal Health and Welfare grants.
  - £42 millions was spent on the Livestock Information Transformation Scheme.
  - £34 millions was committed from the Water Management grant scheme, the Slurry Infrastructure grant scheme and the Farming Productivity grant scheme.
  - £17 millions was awarded under the 8 Farming Innovation Programme competitions.
  - The Farming Resilience Fund spent £11 millions providing advice to 7,400 farmers.
  - £1 million was spent launching the Institute for Agriculture and Horticulture.
  - £37 millions was granted to local authorities in 114 areas under the Rural England Prosperity Fund.
  - £38 millions was committed to 29 Producer Organisations under the Fruit and Vegetables Aid Scheme.
  - 13,250 schools benefited to a total of £2.2 millions under the School Milk Service.
  - 191 customers were awarded 1,752 quota and hemp licences.
  - 963 Attestations of Equivalence for hop growers were issued.
  - 1,371 VI-I Wine export licences were issued.
  - 3,000 disease inspections and 71 bee health training events took place under the National Bee Unit for Agriculture Programme at a cost of £294,000.



- 2 The Scottish Government has made early payments under the Basic Payment Scheme to 11,500 businesses with a total of £243 millions.

### III Grants/regulations/legislation/environment

- 1 Global genetic improvement consultancy AbacusBio has launched a sustainability index for plants to help the environmental impact of growing crops. The index is intended to enable breeding companies to develop commercially viable plant varieties that require less water to grow and produce less environmentally-damaging emissions while maximising crop yield, plant health and disease resistance.
- 2 Led by the John Innes Centre in Norwich, the Pulse Crop Genetic Improvement Network, in collaboration with the University of Reading, NIAB, the Institute of Biological, Environmental and Rural Sciences at Aberyswyth University and the Processors and Growers Research Organisation, has been awarded funding of £3 millions by Defra to develop climate-resistant legume crops. The research will address threats from pests and diseases such as root rot in pea, and bruchid beetle in faba bean, and also target nutritional traits such as protein content, minerals and flavour components.
- 3 The Soil Association has worked with 12 industry partners and 685 farms, with over 550 funded by Lloyds Bank, to assess 240,000 hectares of UK farmland to provide a road map for improving soil health, reducing carbon emissions and supporting biodiversity.
- 4 Statistics have been published on UK waste:
  - The UK recycling rate for Waste from Households, including incinerator Bottom Ash metal, was 44.1 per cent in 2022, down from 44.6 per cent.
  - The recycling rate increased in all countries except England, with Wales recording 56.9 per cent, Northern Ireland 49.2 per cent, England 43.4 per cent and Scotland 41.2 per cent.
  - UK biodegradable municipal waste sent to landfill fell by 5 per cent to 6.3M/t.
  - In 2023, 64.8 per cent of UK packaging waste was recycled, up from 62.4 per cent.
- 5 A grant of £1 million from Innovate UK is to be used to investigate a vaccine which could halt the development and spread of *Streptococcus suis*, a bacterial infection which can cause fatal disease in pigs and can be transferred to workers. It is thought the disease affects more than 60 per cent of farms across much of Europe. The project involves scientists from The Vaccine Group, the University of Plymouth and the University of Cambridge.
- 6 Further confirmed sightings of Asian Hornets have occurred in Temple Ewell, near Dover, Goodnestone, Elham and Dymchurch, all in Kent and Baldslow in East Sussex.
- 7 The Welsh Government has announced funding of £500,000 towards 13 projects supporting the creation of 16 new oetiroedd Bach (tiny forests) which are about the size of a tennis court. The funding is being administered by the National Lottery Heritage Fund.
- 8 Environmental lobby group Wildlife Justice has confirmed that it is to seek a judicial review into Dartmoor Commoners Council's management of Sites of Special Scientific Interest claiming concerns of stocking levels and overgrazing.



## IV Other matters of farm finance and tenure

- 1 Since the 2019-24 Parliament, the funding of agriculture in the UK has remained consistent at £2.4 billions. Yet:
  - Farm input prices increased by 44 per cent.
  - Pig input prices increased by 54 per cent.
  - Dairy input prices increased by 44 per cent.
  - Input costs for cereal and mixed farms increased by 43 per cent.
  - Beef and sheep farms have had to endure increased input costs of 39 per cent.

To offset the increases in costs, the Defra budget would need to increase by £1 million to £3.4 millions.
- 2 As at 1 June, the utilised agricultural area in England was 87 millions hectares, 67 per cent of the total area but down 1 per cent on 2023. The total croppable area accounted for 57 per cent whilst permanent grassland accounted for 38 per cent. Other factors include:
  - The total area of arable crops fell by 6.4 per cent to 3.5 million hectares mainly due to flooding and adverse weather conditions.
  - The area of uncropped arable land increased by 107 per cent to 581,000 hectares with 276,000 hectares left fallow and 305,000 hectares used for environmental benefit.
  - The wheat area fell by 26 per cent to 274,000 hectares with oilseed rape down by 27 per cent to 250,000 hectares.
  - Potatoes increased by 1.2 per cent to 83,000 hectares.
  - The area of horticultural crops fell by 3.2 per cent to 113,000 hectares.
  - The area of agricultural land owned fell by 1 per cent to 6.1 million hectares whilst land tenanted for a year or more was static at 2.9 million hectares.
- 3 As part of the June Survey of Agriculture and Horticulture, Defra ran a module covering Agricultural Tenanted Land Practices. The principal results were:
  - 78 per cent of respondents reported no change in the land they tenanted over the past 2 years while 11 per cent reported an increase.
  - Of the 10 per cent who reported a decrease, the most common reason was the landlord asking for surrender of some or all of the rented land before the end of the tenancy (33 per cent).
  - Where a change in the land area was reported, the most common scale of change was by less than 25 per cent.
  - 59 per cent of respondents expected their area of rented land to remain unchanged over the next 2 years.
  - 69 per cent of land was rented from a private landlord with 25 per cent from a charitable body or institutional landowner.





- 4 As at 1 June:
- The total number of people working on agricultural holdings in England was 285,000, down 2.6 per cent on a year earlier.
  - Farmers, business partners, directors and spouses comprise 61 per cent of the workforce, down by 3.1 per cent to 173,000 people.
  - Regular workers increased by 1.5 per cent to 66,000 people.
  - Casual workers fell by 7.3 per cent.
  - 16 per cent of principal farmers were female, the same across all age groups except in the under 35's where the figure was 17 per cent.
  - 38 per cent of principal farmers were aged 65 or over with only 15 per cent being aged under 45.
- 5 The Farm Business Survey for 2022/23 shows:
- The average level of liabilities across all farms was £294,600, up 8 per cent on 2021/22.
  - The average net worth of all farms was £2.2 millions with 49 per cent having a net worth of at least £1.5 millions.
  - The average gearing ratio was 12 per cent, largely unchanged over the last decade.
  - The average liquidity ratio was 321 per cent, the fifth consecutive increase.
  - Net interest payments were 8 per cent on Farm Business Income, up 2 per cent on 2021/22.
  - The average Return on Capital Employed was 0.5 per cent, down 0.5 per cent on 2021/22.
- 6 The Farming Countryside Programme has reported a £130 millions underspend in the agricultural budget by Defra for 2023/24 taking the total to £358 millions over the past 3 years.
- 7 During July, the Agricultural Price Index for outputs increased by 4.5 per cent, compared to a year earlier, but fell 2.2 per cent compared to June. The index for inputs fell by 3.2 per cent and 0.9 per cent respectively.
- 8 Baroness Kate Rock, author of the Rock Review into tenant farming, has had her role of non-executive director at Defra terminated by the Labour Government.
- 9 The Crown Estate has purchased the Dissington Estate, near Newcastle Upon Tyne, consisting of 5 principal holdings, 5 residential properties and 2,552 acres of arable, pasture and woodland.

## **V Product prices**

### **A Market background**

- I Sterling closed up against the Euro and US Dollar, having been weaker against both during the month. Sterling opened the month at 84.2p per Euro and fell marginally in the first half of the month to a low of 84.9p but improved thereafter to peak at 83.2p before relaxing in the final days to close at 83.4p per € (0.8p stronger). Against the US Dollar, Sterling dropped from its opening position of 76.2p to a mid-month low of 76.8p, before improving to a peak of 74.5p, a 31-month high, before falling back to close the month at 74.7p per \$ (1.5p stronger).



- 2 The gold price continued to improve this month, once again beating its all-time-high and for the first time exceeding the £2,000 mark. Opening at £1,910 per troy ounce, it climbed for most of the month to peak at £2,009, before settling at a closing price of £1,989 per troy ounce (a gain of £79).
- 3 Crude oil prices remained volatile this month, with a generally downward trend. Brent Crude opened at \$78.80 per barrel and fell to \$69.19, a 37-month low, before a partial recovery saw it reach \$75.17 and eventually close at \$71.98 per barrel, a net fall of \$6.58.

## B Crops

- I The cereals market made a small improvement this month although the general outlook is flat. A combination of factors led to this position: further downward revisions during the month of the total European wheat crop; increased tension in the Black Sea region; Sterling's comparative foreign exchange strength; greater than anticipated availability of US wheat; and speculative trading. Average milling premiums have continued to relax to sit between £50 and £55 per tonne. Feed wheat futures climbed across the board this month, albeit modestly, having been higher mid-month in all cases; by late September deliveries for November 2024, 2025 and 2026 were £183/tonne (+2), £195/tonne (+4) and £197/tonne (+6) respectively.

The oilseed rape market gained a little strength, following the low production this season and the lower planted area for the coming season, but suppressed by the wider oilseeds market. The longer-term global outlook remains gently positive. The pulse market reflected an uncharacteristic split this month: pea and bean prices, which generally track each other, now sit over £30 per tonne apart, after a significant gain in pea prices, although both gained strength.

Average spot prices in late September (per tonne ex-farm): feed wheat £177 (+3); milling wheat £230 (-3); feed barley £156 (+9); oilseed rape £380 (+8); feed peas £249 (+39); feed beans £213 (+7).

## C Livestock

- I The average live-weight cattle prices for steers and heifers both fell for much of the month, although only the steer price recovered in the final days. The average steer price, from its opening average of 282p/kg lw, fell to 274p/kg, recovered at the end of the month to close at its peak of 289p/kg lw (up 7p, to sit 29p/kg above the average a year earlier). The average finished heifer price fell from its opening position of 292p/kg lw to an initial low of 284p/kg before bouncing back to 289p/kg and falling to a closing average of 282p/kg (down 10p, to sit 12p above the average a year earlier). The average dairy cow price held comparatively level: falling from its opening position of £1,572 per head to a low of £1,548, then peaking at £1,667 before dropping back to close the month at £1,533 per head (down £39 to sit £301 below the prior year average).
- 2 The average finished lamb price (SQQ liveweight, new season) closed down overall, having been fractionally lower earlier in the month. Opening at 298p/kg lw, the average fell to 286p/kg, bounced slightly to 288p/kg before closing the month at 287p/kg, down 11p/kg but 36p/kg above the average a year earlier.
- 3 The average UK all pig price (APP) rose early on but then proceeded to fall back again, to close marginally up overall. From an opening position of 211p/kg dw, it fell early on to 210p/kg and climbed to 213p/kg before falling back to 212p/kg dw, where it closed the month (up 1p, sitting 11p below the closing average a year earlier).



- 4 The UK milk price rose more significantly in July than in previous months. The UK average 'all milk' price for July, reported in September, was 40.07ppl: 1.15ppl up and 4.40ppl above the price a year earlier. Draft figures for August suggest a further increase in the region of 1ppl. The EU average farmgate milk price for July was marginally above the UK average at 40.30ppl, 0.20ppl above the June average and 1.64ppl above the average a year earlier.

## VI Other crop news

- 1 Final figures have been made available by AHDB in respect of the 2023/24 season:

### Wheat

- In 2023/24, the UK imported 2.437Mt, up 1.076Mt on the previous year; exports were 258,000 tonnes, down 1.328Mt.
- Total availability was 18.369Mt, down 319,000 tonnes.
- Total domestic consumption was 14.967Mt, up 390,000 tonnes.
- End of season stocks were 2.987Mt, up 1.034Mt.

### Barley

- Imports totalled 201,000 tonnes, up 113,000 tonnes and the highest level since 2012/13.
- Total availability was 8.433 Mt, down 4,000 tonnes.
- Usage was 6.324Mt, up 180,000 tonnes with animal feed up 247,000 tonnes.
- Closing stocks were 1.218Mt, down 51,000 tonnes.

### Oats

- Imports totalled 15,000 tonnes, down 2,000 tonnes, while exports totalled 116,000 tonnes, down 58,000 tonnes.
- Availability was 985,000 tonnes, down 197,000 tonnes.
- Consumption was 780,000 tonnes, down 90,000 tonnes.
- Closing stocks were 125,000 tonnes, down 15,000 tonnes.

### Maize

- Imports totalled 2.642Mt, up 519,000 tonnes.
- Availability was 2.787Mt, up 416,000 tonnes.
- Usage was 2.266Mt, up 227,000 tonnes.
- Closing stocks were 200,000 tonnes, up 55,000 tonnes.

- 2 Data from AHDB shows that the UK flour milling industry, including for starch and bioethanol production, used 9 per cent less wheat in July compared to a year earlier, using a total of 482,100 tonnes. Usage of home-grown wheat fell by 12 per cent whereas 9 per cent more imported wheat was used. Wheat for starch and bioethanol fell by 22 per cent to 88,500 tonnes.
- 3 The Agricultural Price Index for July shows increases of 6.4 per cent for barley, compared to a year earlier, 39 per cent for oats, 87.4 per cent for potatoes, 6.1 per cent for oilseed rape, 107.9 per cent for forage plants and 9.6 per cent for fresh fruit but there were falls of 4.2 per cent for wheat and 3.2 per cent for fresh vegetables. Compared to June, there were increases of 1.8 per cent for wheat, 1.8 per cent for oats and 11.9 per cent for fresh fruit but falls of 11.3 per cent for barley, 0.5 per cent for potatoes, 0.6 per cent for oilseed rape, 0.4 per cent for forage plants and 15.3 per cent for fresh vegetables.



- 4 A global study of crop yields across six continents, conducted by scientists at Rutgers University in New Jersey, has found that production of crops such as fruit, vegetables, nuts and legumes, is being limited by a lack of pollinators. Over 1,500 fields were inspected and found that between one-third and two-thirds of farms contained fields which were underperforming due to the lack of pollinators.
- 5 The British Society of Plant Breeders has added 9 new varieties to the 2025 Forage Maize Descriptive List. KWS Granturismo, KWS Bravo, KWS Kampinos, KWS Temprano, KWS Papageno and Rejko, Promise, AYA and Duke from Limagrain, Justice from Grainseeds Ltd and Starlord and MAS 07SB from Bright Seeds.
- 6 British Sugar's factories at Bury St Edmunds in Suffolk and Cantley and Wissington in Norfolk have all opened, with Newark in Nottinghamshire due to open on 7 October.
- 7 'SusProt: Sustainable Plant Protein from Vegetable Crop Sidestreams' is a project aimed at utilising unused broccoli to reduce the CO<sub>2</sub> footprint and environmental harm of protein for human consumption led by the UK Agri-Tech Centre, Upcycled Plant Protein and The James Hutton Institute. An automated broccoli harvester uses computer vision and machine learning to identify broccoli heads that are ready to be harvested. Instead of harvesting only the heads of the broccoli, the whole plant is cut and those parts of the plant that are currently unused are turned into high-protein hypoallergenic ingredients for use in food products which could include meat alternatives.
- 8 Figures released by the World Apple and Pear Association indicate that this year's EU apple harvest will be down 11.3 per cent on last year with falls of 15.3 per cent for Braeburn, 11.1 per cent for Gala, 10.2 per cent for Golden Delicious, 18.4 per cent for Idared, 21.8 per cent for Jonagold, 36.2 per cent for Jonagored and 18.8 per cent for Jonathan.
- 9 The Sedex Members Ethical Trade Audit came into effect on 10 September, meaning producers must pass the audit to be able to supply UK retailers. However, half the respondents to a British Growers Association survey have revealed they will either leave the ethical audit or sign up to an alternative if forced to pay travel and visa costs of seasonal workers.
- 10 Oxair is trialling PSA technology with nitrogen in Western Australia to prolong the life of harvested fruit. Nitrogen reduces the content of oxygen in the air in stores, slowing the respiration of the fruit so that optimal freshness is retained.
- 11 Scientists at the Yong Loo Lin School of Medicine at the National University of Singapore claim that boosting fruit intake during midlife can help prevent depressive symptoms later in life.
- 12 Veolia Orchard has opened for applications from schools. Successful candidates will receive five trees or ten strawberry plants per school giving children the chance to engage with nature.
- 13 A study published in the journal *Molecules* has suggested that the polyphenols which occur naturally in apples have a range of benefits for organs including the stomach, small intestine and colon.
- 14 A YouGov survey for redistribution charity FareShare has revealed that a third of parents say their children are eating less fruit than a year ago. 34 per cent of parents confessed they were buying less fruit than a year ago because of the cost-of-living crisis.





- 15 UK Agri-tech Centre, Angus Soft Fruits and Singapore-based technology company Polybee, with funding from Innovate UK, have combined to create a project “Precision Pollination for Higher Strawberry Production and Productivity.” The project will use Polybee’s drone technology whereby drones will use airflows to assist pollen movement, ensuring more uniform and successful pollination.
- 16 KWS has announced that subsidiary Pop Vriend Seeds has changed its name to KWS Vegetables Netherlands BV.
- 17 Researchers at Wageningen University & Research in the Netherlands are attempting to accelerate detecting viruses in glasshouses by using raman spectroscopy.
- 18 Hall Hunter, based in Surrey, is developing a new 70-hectare farm devoted to growing blueberries, the fastest growing fruit in popularity terms despite only 10 per cent of consumption being grown in the UK.
- 19 Angus Soft Fruits has launched two new varieties of raspberry, AVA Monet and AVA Dali.

## VII Other livestock news

- 1 Bluetongue BTV-3 has been confirmed and has resulted in a restricted movement zone in the East Riding of Yorkshire and parts of Lincolnshire. This follows restricted movement zones being established in Norfolk, Suffolk, Essex, Kent, Greater London, West Sussex, Cambridgeshire, Bedfordshire, Surrey and Hertfordshire.
- 2 A general licence has been made available which allows farmers to vaccinate their animals against Bluetongue virus serotypes 1, 2, 4 and 8 in areas that are outside a restricted zone. Defra has also permitted the use of 3 unauthorised Bluetongue serotype 3 vaccines subject to licence. The BTV-3 vaccines claim to reduce viraemia rather than prevent it.
- 3 The number of new herd bovine TB incidents in England in the year to June fell by 2 per cent, compared to the previous year, with falls of 2 per cent in the High Risk area and 15 per cent in the Low Risk area but an increase of 3 per cent in the Edge area. There were falls of 38 per cent in Scotland and 1 per cent in Wales. The number of herds not officially TB free fell by 5 per cent in England with falls of 7 per cent in the High Risk area and 4 per cent in the Low Risk area but an increase of 4 per cent in the Edge area. There was a fall of 56 per cent in Scotland but an increase of 1 per cent in Wales.
- 4 New data has been published by BCMS on the number of cattle on farms in Great Britain as at 1 July:
  - The number of cattle stood at 7.79 million head, down 1.8 per cent on a year earlier.
  - Animals for beef aged under 6 months fell by 38,000 head while those aged 6-12 months fell by 26,000 head and those aged 12-18 months fell by 27,000 head.
  - Animals for beef aged 18-24 months increased by 2,000 head while those aged 24-30 months increased by 18,000 head.
  - Suckler herd calf registrations in the first half of 2024 fell by 45,000 head while dairy calves fell by 4,000 head.
  - In the 12 months to April, sales of beef semen made up 52 per cent of all semen sold to dairy farms, the highest percentage recorded.
- 5 According to the BCMS, the British milking herd stood at 1.61 million head on 1 July, down 0.3 per cent on a year earlier. Cattle aged less than 2 years fell by 25,000 head but the 2–4-year age group rose by 16,000 head.



- 6 The Agricultural Price Index for July shows increases of 6.1 per cent for cattle and calves, compared to a year earlier, 10.6 per cent for sheep and lambs, 9.2 per cent for animal products, 10.7 per cent for milk and 3.8 per cent for eggs but there were falls of 7.1 per cent for pigs and 16.7 per cent for poultry. Compared to June, there were increases of 1.2 per cent for animal products and 1.5 per cent for milk but falls of 0.1 per cent for cattle and calves, 0.4 per cent for pigs, 15.6 per cent for sheep and lambs and 0.3 per cent for poultry.
- 7 Organic Herd has increased its member milk price by 2ppl to 56ppl.
- 8 During July, 1,197 million litres of milk was available to processors, down 0.4 per cent on June; liquid milk production was unchanged at 494 million litres; cheese production fell by 0.4 per cent to 43,600 tonnes; butter production fell by 17 per cent to 14,100 tonnes; and milk powder production fell by 8.4 per cent to 10,200 tonnes.
- 9 Muller has increased the price paid to members of its Advantage programme by 1ppl to 41.25ppl.
- 10 Lactalis has given notice of termination to 10 dairy farmers in Dumfries and Galloway and 2 in Ayrshire.
- 11 Arla has increased its price by 0.89ppl taking its UK manufacturing price to 43.33ppl for conventional milk and 54.2ppl for organic milk.
- 12 Mullers proposed takeover of Yew Tree Dairy is being investigated by the Competition and Markets Authority.
- 13 Barbers has increased its price by 0.62ppl to 43.03ppl.
- 14 Freshways has acquired Totally Welsh Dairy, based in Haverford West.
- 15 Meadow Foods has increased its price by 1ppl to 41ppl.
- 16 Freshways has increased its price by 1ppl for both October and November taking its price to 42ppl.
- 17 AHDB, Flock Health Ltd, Ruminant Health and Welfare and the University of Nottingham are inviting farmers to complete a survey concerning the impact of bluetongue virus.
- 18 During August, average butterfat increased by 1 per cent, compared to July to 4.18 per cent and was 0.7 per cent up on a year earlier. Average protein fell by 0.8 per cent to 3.37 per cent but was up 1.1 per cent on a year earlier.
- 19 During August, UK prime cattle slaughterings rose by 1.5 per cent, compared to a year earlier, to 166,000 head; beef and veal production rose by 2.3 per cent to 73,000 tonnes; sheep slaughterings fell by 8.7 per cent to 930,000 head; mutton and lamb production fell by 9.7 per cent to 22,000 tonnes; pig slaughterings fell by 0.6 per cent to 872,000 head and pigmeat production fell by 0.5 per cent to 80,000 tonnes.
- 20 Outbreaks of sheep and goat pox have reared their head in Europe. Bulgaria has declared its first case since a year ago; Greece has declared 15 cases, the first since March; Turkey has reported 56 outbreaks in the year to date, while Spain has declared itself disease free.
- 21 The number of outbreaks of Peste des Petits Ruminants in Greece has increased to 67 while there have been 21 further cases in Romania taking the total also to 67. The disease affects sheep and goats.
- 22 To protect against African Swine Fever, personal imports of pork and pork products from the European Economic Area, the Faroe Islands, Greenland and Switzerland have been banned unless such products are manufactured and packaged to EU commercial standards and weigh less than 2kg.



- 23 From April to date, West Nile Virus has occurred in France, Germany, Austria and Poland, the latter for the first time. Cases have been reported in humans, birds and horses. The risk to horses in the UK is considered negligible although, while there are 34 native species of mosquito in the UK, only 9 are capable of spreading the virus from wild birds.
- 24 During August, UK commercial layer chick placings rose by 1.5 per cent, compared to a year earlier, to 2.8 million chicks; broiler chick placings fell by 0.9 per cent to 91 million chicks; turkey chick placings fell by 25 per cent to 1 million chicks; turkey slaughterings fell by 10 per cent to 600,000 birds; broiler slaughterings fell by 1.9 per cent to 87.5 million birds; and total poultry meat production fell by 1 per cent to 156,000 tonnes.
- 25 Stonegate has renewed its avian influenza insurance policy, underwritten by NFU Mutual, to provide 180 days of free business interruption cover for its free-range and organic egg producers.

## VIII Inputs/Supply businesses

- 1 European natural gas futures reached €45.15/MWh on 9 August, the highest since last December and 36 per cent above the average for this year, while in August alone UK natural gas futures rose by 10 per cent to 96.15/therm. In July, UK-produced AN (34.5) for spot delivery averaged £338/t, 2 per cent up on June but 4.2 per cent below a year earlier. Imported AN was £332/t, up 0.6 per cent on June but down 3.5 per cent on a year earlier. According to Gas Infrastructure Europe, Europe's gas storage levels were at 91.6 per cent of capacity at the end of August, achieving the November target 2 months ahead of schedule.
- 2 The Agricultural Price Index for July shows falls of 4.5 per cent for energy and lubricants, compared to a year earlier, 5.3 per cent for fertilizers, 8 per cent for chemicals, 9 per cent for animal feeding stuffs and 1 per cent for buildings maintenance but increases of 1.7 per cent for seeds, 4 per cent for veterinary services and 5.1 per cent for equipment maintenance. Compared to June, there were falls of 0.2 per cent for seeds, 2.4 per cent for energy and lubricants, 2.7 per cent for fertilizers, 0.3 per cent for chemicals, 1.3 per cent for animal feedingstuffs, 0.2 per cent for buildings maintenance and 0.2 per cent for equipment maintenance.

## IX Marketing

- 1 Imports of wheat in July, the first month of the 2024/25 marketing year, totalled 321,000 tonnes, up from 93,000 tonnes a year earlier and well above the 5-year average of 150,000 tonnes. The top sources were Germany at 137,000 tonnes, Denmark at 66,000 tonnes and Canada at 55,000 tonnes.
- 2 The US Department of Agriculture has reported a rise in horticultural exports of \$1.2 billions to a record \$41.5 billions.
- 3 According to Kantar, organic meat, fish and poultry make up just 0.2 per cent of total volumes but in the 12 weeks to 4 August, organic volumes grew by 12.9 per cent whereas non-organic volumes only grew by 3.4 per cent. Most of the organic growth in the last year has come from meat and poultry while pig meat, lamb and fish continue to see negative performances. Within beef, organic volumes grew by 4.1 per cent whereas non-organic volumes have declined by 0.4 per cent. In the last three months, only organic beef has recorded a volume decline, 1.8 per cent, while both pig meat and lamb showed increases.



- 4 According to NIQ Homescan, sales of organic milk in the 12 weeks to 13 July increased by 5 per cent while sales of non-organic milk fell by 0.8 per cent. It should be acknowledged that organic milk only comprises 3 per cent of the total market for milk. Organic yoghurt sales took 8 per cent by volume of the yoghurt market, a growth of 2 per cent but butter, spreads, margarine, cheese and cream only comprised 1 per cent of the market as a whole. Sales of organic cheese grew by 2.9 per cent but were outperformed by non-organic cheese which grew by 4.6 per cent while organic cream volumes fell by 7 per cent.
- 5 The US Government has agreed to allow UK beetroot growers access to American markets. It is forecast it will lead to increased exports of £150,000 per year.
- 6 According to research agency Two Ears One Mouth, 71 per cent of consumers are concerned about the cost-of-living crisis but this is down 15 per cent on the same time last year. A year ago, 47 per cent of consumers claimed that they coped with this by planning their meal and food spend more carefully but this has fallen to 39 per cent.
- 7 British Apples & Pears Ltd has announced Tesco as the 2024 apple retailer of the year. The award is based on BAPL member sales to British supermarkets in the year to August 2024. Tesco sold 26,705 tonnes of British dessert apples closely followed by Aldi at 26,008 tonnes, with Sainsbury's third at 21,563 tonnes and Lidl fourth at 18,096 tonnes. Lidl achieved the largest increase, from 17,560 to 18,096 tonnes.
- 8 According to Hybu Cig Cymru, 9,000 tonnes of Welsh beef were exported in the first 6 months of the year, up 14 per cent on a year earlier with a value increase of 16 per cent. Sheep exports have risen in value by 6 per cent but the volume is down 10 per cent at 12,000 tonnes.
- 9 Agroberries, a leading global grower, marketer and distributor of fresh berries, has announced the acquisition of BerryWorld Group Holdings Ltd, Europe's largest berry marketer. The combined company will commercialise 150,000 tonnes of blueberries, strawberries, raspberries and blackberries from its own production facility of 3,000 hectares and from associated growers across 30 countries.

## **X Miscellaneous**

- 1 The Oxford Farming Conference, in partnership with McCain Foods (GB) Ltd, will launch the "Inspiring Innovators" programme at the 2025 conference whereby up to 6 selected participants will have the opportunity to present their concepts.
- 2 AHDB is to host a conference in Solihull on 17 October with presentations by Blue Marble, Two Ears One Mouth, Kantar, IGD and representatives from the meat processing supply chain. The conference will showcase the changing consumer landscape, noting key trends that are impacting the wider supply chain in the agricultural sector.
- 3 The Rural Communities Mental Health Foundation has been launched to support and improve the mental health of those living and working in rural and agricultural communities primarily in Northamptonshire, Buckinghamshire and Bedfordshire.
- 4 The Oxford Farming Conference is making available 40 conference tickets as well as accommodation and a travel grant to individuals working within or planning to enter the food, farming and agricultural sectors who may not otherwise attend due to financial constraints.
- 5 Machinery dealer Ernest Doe & Sons Ltd has acquired the Sutterton and North Kyme depots of The Burdens Group in Lincolnshire.
- 6 LandAlive, a new regenerative farming conference, will take place at the Bath & West Showground on 22/23 November.





## Postscripts

12 of the finest (unintentional) double-entendres ever aired on British TV and radio:

1. Ted Walsh – Horse Racing Commentator – ‘This is really a lovely horse. I once rode her mother.’
2. New Zealand Rugby Commentator – ‘Andrew Mehrstens loves it when Daryl Gibson comes inside of him.’
3. Pat Glenn, weightlifting commentator – ‘And this is Gregoriava from Bulgaria. I saw her snatch this morning and it was amazing!’
4. Harry Carpenter at the Oxford-Cambridge boat race 1977 – ‘Ah, isn’t that nice. The wife of the Cambridge President is kissing the Cox of the Oxford crew.’
5. US PGA Commentator – ‘One of the reasons Arnie (Arnold Palmer) is playing so well is that, before each tee shot, his wife takes out his balls and kisses them – Oh my god!! What have I just said??’
6. Carezza Lewis about finding food in the Middle Ages on ‘Time Team Live’ said: ‘You’d eat beaver if you could get it.’
7. A female news anchor who, the day after it was supposed to have snowed and didn’t, turned to the weatherman and asked, ‘So Bob, where’s that eight inches you promised me last night?’ Not only did HE have to leave the set, but half the crew did too, because they were laughing so hard!
8. Steve Ryder covering the US Masters: ‘Ballesteros felt much better today after a 69 yesterday.’
9. Clair Frisby talking about a jumbo hot dog on Look North said: ‘There’s nothing like a bit hot sausage inside you on a cold night like this.’
10. Mike Hallett discussing missed snooker shots on Sky Sports: ‘Stephen Hendry jumps on Steve Davis’s misses every chance he gets.’
11. Michael Buerk on watching Phillipa Forrester cuddle up to a male astronomer for warmth during BBC1’s UK eclipse coverage remarked: ‘They seem cold out there, they’re rubbing each other and he’s only come in his shorts.’
12. Ken Brown commentating on golfer Nick Faldo and his caddie Fanny Sunneson lining-up shots at the Scottish Open: ‘Some weeks Nick likes to use Fanny, other weeks he prefers to do it by himself.’

# Monthly Farming Update

## A fishy tale!

Over the years, it has often been necessary to consider whether or not a holiday letting business constituted a trading activity, for the purposes of Inheritance Tax, or an activity comprising 'wholly or mainly of making or holding investments'. In most cases taken before a tribunal, the latter has prevailed. What has been very clear is that a considerable degree of service is required for the activity to be deemed that of 'trading'.

An interesting case, which could have wider repercussions, has recently been heard before the First-Tier Tribunal.

Mr Pearce established a commercial fishery on the River Itchen, a well-known chalk stream near Winchester, renowned for brown trout, grayling and the occasional salmon. The stretch of river and adjacent land amounted to 17 acres. Customers, or 'rods', were met at the family home, given coffee and briefed on the fishing.

In the early days, Mr Pearce would stock the fishery with rainbow trout and rods were allowed to take home two fish but very strict rules as to the conduct of the rods were enforced.

Following the death of her husband, Mrs Pearce took on the business but shortly thereafter the Environment Agency refused to renew fish stocking licences because of fish "bullying" and attempting to inter-breed. So the fishery reverted to the native stock which were more difficult to catch and could not be removed from the river.

Mrs Pearce would spend 4 hours each day patrolling the banks which were mown and kept in good order. At certain times the river would be cleared of weeds by river keepers. At the end of the day Mrs Pearce would discuss the day's fishing over a glass with the fisherman. But because of the change in the nature of the fishery, fishing on this stretch of the Itchen became much less popular and the business struggled to make a profit.

On the death of Mrs Pearce, a claim for Business Property Relief was made. The view of the Tribunal was that, while Mrs Pearce did a great deal to give the rods a good day's sport, the essence was that she owned and held the river and surrounding land in order to generate income from rod fees and that this comprised an investment activity. The claim to relief therefore failed.

The Tribunal did state that 'had the business provided ... tuition ... ghillies to guide the rods ... sold or hired equipment ... provided catering or a bar, the outcome might have been different, with emphasis on the word 'might'.

This is another example where it is not enough to provide services alongside the holding of property, the provision of services must be the dominant activity, not the holding of property. Could this case precipitate a review of other country sports?

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](mailto:mfu@chavereys.co.uk)  
[www.chavereys.co.uk](http://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**