



# CHAVEREYS

CHARTERED ACCOUNTANTS & FINANCIAL ALCHEMISTS



## Monthly Farming Update

November 2024

## Policy issues

1. The UK Government's day to day spending on Environment, Food and Rural affairs has been cut by 1.9 per cent between 2023/24 and 2025/26. The overall budget has been held at £2.4 billions, with no allowance for the effects of inflation.
2. Economist Dan Corry has been appointed to conduct an internal review into the regulations and regulators at Defra, examining whether the inherited regulatory landscape is fit for purpose and to develop recommendations to ensure Defra is driving economic growth while protecting the environment. The review will explore:
  - Customer and stakeholder experience of regulation, including the impact on those who are regulated.
  - The efficiency of regulation, including whether the current regulatory landscape involves duplication or contradiction and whether improvements can be made.
3. The UK Government has rejected a proposal to allow the Scottish Government to set up its own visa scheme for seasonal workers.

## Reform

1. Defra has revealed that all recipients will see 76 per cent of their base amount removed in 2025. This compares with the 50 per cent cut in former Basic Payment Scheme payments that applied in 2024. Those receiving up to £30,000 will have 76 per cent removed, anything above that will be cut entirely. Any farmer who originally received more than £100,000 originally will receive no more than £8,000 in 2025.
2. Rural Payments Wales has reported that 96 per cent of claimants received a Basic Payment on 14 October representing about 70 per cent of the claim value.

## Grants/regulations/legislation/environment

1. A new report by the Environment Agency reveals that:
  - 19 per cent of water supplies are lost before reaching consumers with the worst performers being Thames Water and United Utilities.
  - 3.1 per cent of water is lost before reaching treatment works with Anglian Water the worst performer at 7.9 per cent and South East Water the best at 0.3 per cent.
  - In 2023/24, water demand per person fell by 3.6 per cent compared to the 2019/20 baseline.



- The national average demand for water per person per day was 232.8 litres with demand greatest from customers of South West Water at 277.6 litres and lowest from customers of Southern Water at 211.2 litres.
  - Leakage per person was an average of 45.8 litres with Thames Water the worst at 54 litres and Essex and Suffolk Water the best at 24.9 litres. As a proportion of input, Thames Water was again the worst at 22.7 per cent while Essex and Suffolk Water was the best at 11.1 per cent.
  - Average water consumption per person per day was 137 litres, down 41l/p/day from 2022 with the highest demand placed on Portsmouth Water at 154.36l/p/d and the lowest by customers of Cambridge Water at 119.41l/p/d.
  - The average proportion of households on metered tariffs is 61.1 per cent with South East Water the highest at 88.5 per cent and Portsmouth Water the lowest at 36.1 per cent. When it comes to non-households, Anglian Water is the highest, with 98.7 per cent on a metered tariff, while Thames Water is the lowest at 83.5 per cent.
2. The University of Exeter has published ‘Ag.Lab: Off-Season Farm Production of Building Materials’, the result of a project whereby farmers could diversity into making plant-based sustainable building materials.
  3. The Scottish Knowledge Transfer and Innovation Fund has awarded grants of over £300,000 to projects including a skills development programme for staff working with livestock in Loch Lomond and the Trossachs National Park and promoting learning about the benefits of calving intervals on the Isle of Bute.
  4. Led by NIAB, James Hutton Institute and ADAS, the Defra funded Soft Fruit Genetic Improvement Network will invest £3 millions over 5 years in soft fruit research into pre-breeding genetics and new breeding tools. The research programme will aim to understand the genetics of improved tolerance to pests and diseases and increased water and nutrient-use efficiency in strawberries, raspberries, blueberries and honeyberries.
  5. Researchers from Durham University have made significant advances in understanding honeybee behaviour through the use of robotic technology. The study concentrated on the daily activities of honeybee colonies, in particular the queen and her interaction with worker bees.
  6. Blue Radix, the market leader in autonomous growing solutions for greenhouses, has secured £5 millions of funding from Navus Ventures and Horticoop to accelerate the company’s commercial growth.

7. The Big Butterfly Count, conducted by Butterfly Conservation, makes for disturbing reading. 85,000 volunteers took part with an average of 7 butterflies spotted per 15-minute count, down from last year's average of 12, and the lowest in the 14-year history of the Count. Across the UK, major reductions were seen in Green-veined white (65 per cent), Small Tortoiseshell (59 per cent), Common Blue (52 per cent) and Ringlet (47 per cent) but there were increases for Small Copper (48 per cent), Holly Blue (36 per cent) and Red Admiral (28 per cent). In a suspected response to climate change, Gatekeeper was spotted in Scotland for the first time and White-letter Hairstreak, seen for the first time in Scotland in 2017, has graduated 100 miles further north to be seen around Dundee.
8. The Welsh Government has confirmed that breaches to the Water Resources (Control of Agricultural Pollution) regulations would be downgraded where farmers could demonstrate evidence of having taken 'reasonable steps' to achieve compliance.
9. Further sightings of the Asian Hornet have been reported from Great Maxfield in East Sussex, Southampton, Rye Harbour, Ardingly and Lydd in Kent.

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

1. Agricultural Property Relief and Business Property Relief will only apply at the rate of 100 per cent to the first £1 million of qualifying assets with effect from 6 April 2026. Thereafter the rate of relief will be limited to 50 per cent. Early next year a technical consultation will be published focusing on the application of the allowance to lifetime transfers into trusts and charges on trust property. The £1 million can apply to either Agricultural Property Relief or Business Property Relief or a mixture of the two by way of proportionate allocation. Any unused allowance will not be transferable between spouses and civil partners. The new rules will apply from 30 October 2024 to lifetime transfers where the donor dies on or after 6 April 2026 and within 7 years.
2. According to Savills, Budget fears have resulted in 169,000 acres of land being marketed in the first 9 months of the year on 864 holdings, up 23 per cent on last year and 15 per cent on the average for 2012-2016. The East Midlands saw an increase of 50 per cent but the South West, primarily a livestock region, recorded an increase of only 21 per cent. In Scotland, sales rose by 39 per cent although there was a fall of 4 per cent in Wales. Farms of 1,000 acres or more made up 21 per cent of sales, up from 13 per cent in 2012-2016 although the largest sector was farms of 50-249 acres totalling 43 per cent of all farms. The average price of arable land was £11,000 per acre, down £200 per acre on 2023.

3. Data has been published on Total Income from Farming by English region in 2023:
- Overall the average decrease in TIFF was 21 per cent with no region showing an increase.
  - The largest TIFF was in the East of England at £1,033 millions while the North East had the smallest at 151 millions.
  - Percentage falls were the North East 38, the South East 32.4, the South West 31.3, the North West 24.7, the West Midlands 18.5, Yorkshire and the Humber 10.2, the East Midlands 10.2 and the East of England 4.7.

In terms of TIFF per hectare and the percentage fall:

- |                            |         |         |
|----------------------------|---------|---------|
| • East of England          | £739/ha | (-4.6)  |
| • East Midlands            | £693/ha | (-10.1) |
| • West Midlands            | £564/ha | (-18.6) |
| • Yorkshire and the Humber | £494/ha | (-10.2) |
| • South East               | £478/ha | (-32.3) |
| • South West               | £351/ha | (-31.8) |
| • North West               | £284/ha | (-24.9) |
| • North East               | £250/ha | (-38.9) |
4. Defra has advised that 43,000 temporary seasonal worker visas will be available for 2024/25 for horticulture, 2000 less than for 2023/24. Visas for poultry workers will remain at 2,000.
5. The Government has confirmed that Inheritance Tax Agricultural Property Relief will be extended to land managed under an environmental agreement with, or on behalf of, the UK Government, devolved governments, public bodies, local authorities or relevant approved responsible bodies.
6. The NFU Mutual's 'Voice of the Farmer' survey has revealed that farmer's income from diversification accounted for 13 per cent of farm turnover on average in 2023/24, unchanged from the previous year although there were increases of 2 per cent in renewable energy, 2 per cent in property letting and 1 per cent in holiday accommodation, livery and camping.
7. The Agricultural Price Index for outputs for August shows a fall of 1.9 per cent, compared to July, but an increase of 3 per cent compared to a year earlier. The index for inputs fell by 0.9 per cent and 3.6 per cent respectively.

8. The Irish Government has reduced funding for Investment Aid for the Development of the Commercial Horticultural sector and Investment Aid for Innovation and Diversification in Horticulture by 25 per cent to €8.5 millions.
9. In 2022/23 in the UK:
  - £43.33 per person per week was spent by the average household on all food and drink, including alcohol and food eaten out. Allowing for inflation, this is 3.1 per cent down on 2022 and 20.6 per cent down on 2020.
  - Households spent £33.27 per person per week on household food and drink and £10.06 on food and drink to eat out.
  - Eating out expenditure was up 3.5 per cent on 2022 but down 42 per cent on 2020.
  - £29.66 per person per week was spent on household food and non-alcoholic drinks, down 3.4 per cent on 2022.
10. Booking platform Pitchup.com has reported a 266 per cent increase in searches for camping, glamping and caravanning in July compared to a year earlier.

## Product prices

### A. Market background

1. Sterling weakened this month: marginally against the Euro and significantly against the US Dollar. Sterling opened the month at 83.4p per Euro and fell to 84.0p within the first four days only to recover, with an increased level of volatility, and peak twice at 83.0p before dropping heavily in the final days to 84.4p per € (1.0p weaker). Against the US Dollar, Sterling fell throughout the month, most notably in the early days; from an opening position of 74.7p to a month close of 77.6p per \$ (2.9p weaker).
2. The gold price continued to improve this month, setting 'all-time-high' figures most days. Opening at £1,989 per troy ounce, it climbed throughout the month to peak at £2,156, before relaxing on the final day to a closing price of £2,132 per troy ounce (a net gain of £143).
3. Crude oil prices remained highly volatile this month, albeit with a change in the overall trend to marginal improvement. Brent Crude opened at \$71.98 per barrel, and having fallen in the opening days to \$71.77, a 43-month low, it climbed to peak at \$80.93 and fell back to a low of £70.73 before eventually closing at \$72.81 per barrel, a net gain of \$0.83.

## B. Crops

1. The cereals market became partially fragmented this month, with a small improvement to the feed wheat price but falls for milling wheat and barley; the outlook remains largely flat nonetheless. A combination of factors continue to counteract each other: continued tension in the Black Sea region; improved growing conditions in Russia; improved weather in the US wheat belt; Sterling's weaker foreign exchange position; and, as ever, speculative trading. The average milling premium was eroded significantly this month, now sitting between £35 and £45 per tonne. Feed wheat futures, across the board, climbed robustly in the early part of the month but fell back for the remaining weeks to close unchanged or marginally down; by late October deliveries for November 2024, 2025 and 2026 were £181/tonne (-2), £193/tonne (-2) and £197/tonne (-) respectively. The oilseed rape market made notable gains this month, following the improvements seen in the wider oilseeds market, predominantly driven by Chinese demand for soya and the potential trade restrictions that may follow the US election. The pulse market settled down, but both peas and beans improved. Average spot prices in late October (per tonne ex-farm): feed wheat £180 (+3); milling wheat £219 (-11); feed barley £149 (-7); oilseed rape £406 (+26); feed peas £254 (+5); feed beans £217 (+4).

## C. Livestock

1. The average live-weight cattle prices for steers and heifers moved in different directions this month. The average steer price, from its opening average of 289p/kg lw, fell to 272p/kg in the first two weeks before recovering in the latter two weeks to close at 279p/kg lw (down 10p, to sit 18p/kg above the average a year earlier). The average finished heifer price fell from its opening position of 282p/kg lw to an initial low of 276p/kg before bouncing back to 289p/kg and falling to a closing average of 288p/kg (up 6p, to sit 15p above the average a year earlier). The average dairy cow price returned to volatility: falling from its opening position of £1,533 per head to a low of £1,313, then peaking at £1,613 before dropping back to close the month at £1,598 per head (up £65 overall to sit £240 above the prior year average).
2. The average finished lamb price (SQQ liveweight, new season) fell back again this month, mostly in the first week and holding relatively steady thereafter. Opening at 287p/kg lw, the average fell to 278p/kg before partially recovering to 280p/kg and then relaxing to close the month at 278p/kg, down 9p/kg and 20p/kg above the average a year earlier.
3. The average UK all pig price (APP) closed down overall. From an opening position of 212p/kg dw, it fell to 210p/kg, then recovered partially to 211/kg dw, where it closed the month (down 1p, sitting 9p below the closing average a year earlier).

4. The UK milk price continued to improve, the UK average 'all milk' price for August, reported in October, was 41.58ppl: 1.51ppl up and 5.32ppl above the price a year earlier. Draft figures for September point towards a further increase in the region of more than 1ppl. The EU average farmgate milk price for August was, for the first time in many years, fractionally below the UK average at 41.54ppl, 1.20ppl above the July average and 3.03ppl above the average a year earlier.

## Other crop news

1. Defra has released provisional figures on the 2024 English harvest.
  - The wheat harvest is estimated to be 10 million tonnes, down 22 per cent on 2023 and the smallest since 2020. The wheat area was down 11 per cent and the average yield fell by 12 per cent to 7.1t/ha, below the 5-year average.
  - The barley harvest is estimated to be 4.9 million tonnes, up 2.7 per cent on 2023. Winter barley production fell by 26 per cent but spring barley rose by 41 per cent. The spring barley area increased by 28 per cent to 524,000 hectares and the yield by 10 per cent to 5.6t/ha.
  - Oats production increased by 20 per cent to 773,000 tonnes while the average yield increased by 8.5 per cent to 5.2t/ha.
  - Oilseed rape production fell by 33 per cent to 687,000 tonnes as a result of a decrease of 29 per cent in area to 245,000 hectares and a fall of 7.9 per cent in yield to 2.8t/ha.
  - Wheat straw production fell by 17 per cent to 2.4 million tonnes and oilseed rape straw by 17 per cent to 34,000 tonnes. However, barley straw increased by 12 per cent to 1.7 million tonnes while oat straw increased by 23 per cent to 206,000 tonnes. It is estimated that 35 per cent of straw will be used for home use bedding/feed, 40 per cent will be sold for bedding/feed and 16 per cent will be sold for other purposes.
2. AHDB has estimated the 2024/25 wheat availability to be 16.638Mt, down 9 per cent on a year earlier, mainly due to an estimated 21 per cent reduction in this year's crop and despite the largest opening stocks since 1999/00. Domestic consumption is estimated to be 14.005Mt, down 6 per cent. Wheat for Human and Industrial consumption is forecast to be down 3 per cent with lower ethanol prices disincentivising production and more maize being used for cost reasons. Wheat for animal feed is forecast to be down by 9 per cent with more competitively priced cereals favoured by compounders. Higher prices are also likely to lead to less being fed on farm. The balance of supply and demand is estimated at 2.634Mt, down 23 per cent and well below the 5-year average.



3. The US Department for Agriculture has reported that, as at 27 October, only 38 per cent of winter wheat was rated as good or excellent, lower than both last year's rating of 47 per cent and the 5-year average of 43.4 per cent. Since records began only 2022 has had a worse rating. Winter wheat planting is 80 per cent complete with 56 per cent emergence, both behind last year and the 5-year average. 58 per cent of the winter wheat area is in drought as at 22 October, up from 52 per cent a week earlier and 47 per cent 2 weeks previous with Kansas, the top producing state, having 70 per cent in drought.
4. Barley availability this season is estimated by AHDB to be up 1 per cent on a year earlier at 8.497Mt as a result of a 3 per cent increase in production and despite falls of 4 per cent in opening stocks and 60 per cent in imports. Domestic consumption is forecast to rise by 4 per cent. Barley for Human and Industrial consumption is estimated to fall by 4 per cent with both brewing and distilling showing little growth in demand. However, barley for animal feed is forecast to rise by 8 per cent due to firm demand and also a switch from wheat. The supply and demand balance is estimated at 1.921Mt, down 8 per cent and below the 5-year average of 2.301Mt.
5. Estimates of this year's Russian wheat crop range from 81.5Mt from SovEcon, 82Mt from USDA and the official Russian estimate of 83Mt, all below the 5-year average. Drought this autumn has delayed planting the 2025 crop as well as reduced the planted area and SovEcon is forecasting a 2025 harvest of 80.1Mt.
6. Brazil, the second largest maize exporter and the largest soyabean exporter, has forecast maize production at 119.7Mt, up 3 per cent and 9 per cent above the 5-year average. The US Department for Agriculture forecasts the harvest at 127Mt, well above Conab's forecast. Conab has forecast the soyabean harvest at 166.1Mt, the largest ever, although USDA forecasts the crop to be even higher at 169Mt.
7. The Scotland June Agricultural census 2024 reveals that the area of land for growing cereals fell by 0.8 per cent compared to the 5-year average with lower winter cropping partially compensated by spring cropping.
8. Initial estimates suggest a Scottish cereal harvest of 3.1 million tonnes, slightly above the 10-year average.
9. The Agricultural Price Index for crops for August shows an increase of 2.4 per cent for oilseed rape, compared to July, but falls of 4.1 per cent for wheat, 2.6 per cent for barley, 25.6 per cent for oats, 18.3 per cent for forage oats, 9.4 per cent for fresh vegetables and 34.3 per cent for fresh fruit. Compared to a year earlier, there were increases of 2.1 per cent for oats, 23.5 per cent for potatoes, 5.3 per cent for oilseed rape and 49.7 per cent for forage plants but falls of 1 per cent for wheat, 7.5 per cent for barley, 1.9 per cent for fresh vegetables and 7.2 per cent for fresh fruit.

- 10.** Mintec has reported that the Belgian potato crop has been the worst affected in Europe with only 50 per cent lifted by mid-October, compared to 70 per cent in Germany and 75 per cent in the Netherlands. The yield in Belgium is estimated to be down 10 per cent at 39.2t/ha.
- 11.** In a project led by Stourgarden, the University of Essex is trialling growing onions using Lettus Grow's ultrasonic aeroponics, an irrigation technology that allows crops to be grown without soil. Onion growing is limited to one crop per year but growing crops in a controlled environment means the number of crops can be quadrupled. If successful, this could remove the need for storage and imports.
- 12.** M&S has announced the initial results from its 'autonomous field' trial conducted on a crop of parsnips in association with Huntapac. The trial used robots for bed forming, planting and weeding, drones to monitor and maintain crop health and the latest scientific testing on soil health and carbon impact. Data shows a reduction of 46 per cent in carbon dioxide compared to conventional methods and a 16 per cent higher yield of grade one parsnips.
- 13.** Data from Statistics Netherlands has revealed that the area of protected cropping for tomatoes, peppers, cucumbers and aubergines has continued to decline since the peak in 2021 to 4,100 hectares while the number of growers has fallen by 29 per cent since 2013 to 625.
- 14.** Chinese scientists have reported the results of trials examining the effect of mating disruption as a technique to control tomato leafminer in greenhouse tomatoes. The scientists found that a dosage of pheromone in the tube dispensers interferes with the calling and mating of the moths.
- 15.** The Horticultural Trades Association has published a new report 'The Opportunity for Mechanisation and Automation in UK Environmental Horticulture.'
- 16.** Italian fruit breeder Consorzio Italiano Vivaisti has developed two clones of Gala which develop colour earlier. T Rea shows 'excellent uniformity' in both ripening and size and produces fruit of a large, conical shape. Tigergala develops 'intense striping' earlier than other varieties.
- 17.** The Government has decided to maintain autonomous tariff quotas for raw cane sugar in 2025 at 260,000 tonnes.
- 18.** The US Department of Agriculture Foreign Agricultural Service has suggested that this year's EU production of stone-fruits will be higher than last season due to favourable growing conditions. However, Eurostat has reported that the area planted to peaches and nectarines is down 2,000ha to 189,000ha as a result of low prices and Sharka disease.

19. Because of the exceptionally unfavourable climatic conditions in 2024, Defra has permitted a 3.5 per cent supplementation of the natural alcoholic strength by volume of fresh grapes, grape must, grape must in fermentation and new wine still in fermentation.
20. According to Global Plant Genetics, the vine breeding programme at the University of California could help the wine industry in solving disease issues such as fan leaf virus and Pierce Disease.
21. Poppelmann TEKU has produced recyclable young plant trays in circular grey made from more than 80 per cent post-consumer recycle and after use the trays can be recycled again.

### Other livestock news

1. Defra has approved a general licence for bluetongue serotype 3 covering the whole of England.
2. At the end of August, outbreaks of Bluetongue virus serotype 3 were confirmed along the Hertfordshire/Buckinghamshire border. As a result, on 10 October, the restricted zone and infected area was extended to include Buckinghamshire and part of Berkshire. Most of the East and South of England is now in a restricted zone.
3. A case of bluetongue has been reported in Wales for the first time following the movement to Gwynedd of 3 sheep from the East of England.
4. The Animal and Plant Health Agency has advised that an amended general licence, TB24c, will be available for bovine TB-restricted buildings and valid for use for the duration of a bovine TB breakdown. The licence will allow the movement of bovine animals to a licenced slaughterhouse.
5. SRUC Veterinary Services has reported that Babesiosis is on the increase in cattle in the UK. It is caused by the infection of red blood cells by the parasite babesia. It has been prevalent in the South West but cases are now being reported in Scotland and Wales.
6. During September, UK prime cattle slaughterings rose by 5 per cent, compared to a year earlier, to 171,000 head; beef and veal production rose by 5.5 per cent to 76,000 tonnes; sheep slaughterings fell by 8.7 per cent to 914,000 head; mutton and lamb production fell by 6.8 per cent to 21,000 tonnes; pig slaughterings rose by 5.2 per cent to 855,000 head; and pigmeat production rose by 5.2 per cent to 79,000 tonnes.
7. AHDB data shows that antibiotic usage in pigs last year was 85 milligrams per population correction unit, up from 72mg/PCU in 2022 but lower than the 2021 figure of 87mg/PCU.

- 8.** Arla has increased its manufacturing price for conventional milk by 1.78ppl to 47.65ppl with a similar increase taking the organic price to 57.64ppl.
- 9.** Muller's acquisition of the Yew Tree Dairy has been approved by the Competition and Markets Authority.
- 10.** Wyke Farms has increased its milk price by 0.45ppl to 42.93ppl.
- 11.** A dairy cow in Powys has given birth to 4 live calves, considered to be a 1 in 11 million chance. All, including mother, are reported to be well.
- 12.** Muller has increased its milk price by 1ppl to 42.25ppl for Advantage producers.
- 13.** During September, UK dairies processed 1,092 million litres of milk, down 4.8 per cent on August. Liquid milk production fell by 2.9 per cent to 486 million litres; cheese production fell by 4.3 per cent to 38,500 tonnes; milk powder production fell by 33 per cent to 5,400 tonnes; but butter production rose by 12 per cent to 15,900 tonnes.
- 14.** Barbers has increased its milk price by 0.62ppl to 43.03ppl.
- 15.** During September, average butterfat increased by 3.3 per cent, compared to August, to 4.32 per cent and by 3.2 per cent compared to a year earlier. Average protein increased by 2.2 per cent and 0.6 per cent respectively to 3.44 per cent.
- 16.** The Agricultural Price Index for August shows increases of 3.2 per cent for cattle and calves, compared to July, 0.9 per cent for sheep and lambs and 2.5 per cent for milk but there was a fall of 1.6 per cent for poultry. Compared to a year earlier, there were increases of 8.5 per cent for cattle and calves, 17.6 per cent for sheep and lambs, 13.2 per cent for milk and 3.8 per cent for eggs but falls of 7.2 per cent for pigs and 18.5 per cent for poultry.
- 17.** First Milk has increased its price by 1.5ppl to 45.35ppl.
- 18.** The Scotland June Agricultural Census 2024 reports there were 1.67 million cattle, down 2.4 per cent on the 5-year average, while sheep were down 3.8 per cent to 6.47 million head and pigs down 6.5 per cent to 315,500 head.
- 19.** In the 3 months to June, there was a fall of 2 per cent in new bovine TB incidents, compared to a year earlier, 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. There was a fall of 5 per cent in the number of herds not officially TB free, 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.



20. Defra is to bring forward legislation to mandate sheep carcass classification and price reporting.
21. Aldi is to invest £30 millions over the next 3 years by enhancing its partnership with Arla and providing greater focus on sustainability and animal welfare through Arla's FarmAhead Customer Partnership.
22. The UK is to be the first European country to draw-up cultivated meat regulations following the award of £1.6 millions of funding to the Foods Standards Agency.
23. The EU has delayed its proposed deforestation legislation by 12 months which would have impacted on imports of soya and beef.
24. Following the review of the consultation on proposed registration requirements for all bird keepers in Great Britain, the Government has decided to extend mandatory registration to all bird species, reducing the threshold to one. Mandatory updates will be required annually thereafter.
25. The risk level of HPAI H5 avian influenza has been increased from low to medium although the risk level in poultry is either low or very low.
26. During September, UK commercial layer chick placings rose by 19 per cent, compared to a year earlier, to 3 million chicks; broiler chick placings fell by 0.3 per cent to 92.5 million chicks; turkey chick placings fell by 24 per cent to 1 million chicks; turkey slaughterings rose by 1.1 per cent to 600,000 birds; broiler slaughterings fell by 1.7 per cent to 88 million birds; and total poultry meat production rose by 2.1 per cent to 157,500 tonnes.
27. In the 3 months to September, 254 million dozen eggs were produced for human consumption, up 1.8 per cent on the 3 months to June and 7.2 per cent on a year earlier. The average farm-gate price increased by 0.2 per cent and 4.2 per cent respectively to 144p per dozen. Production of egg products increased by 6.9 per cent, compared to the June quarter, to 17,000 tonnes but was down 18.3 per cent on a year earlier.

## **VIII Inputs/Supply businesses**

1. The Agricultural Price Index for August shows falls of 1.4 per cent for energy and lubricants, compared to July, 0.2 per cent for fertilizer, 1.6 per cent for chemicals, 1.4 per cent for animal feedingstuffs and 0.3 per cent for buildings maintenance but there were increases of 0.1 per cent for seeds, 0.3 per cent for veterinary services and 1 per cent for equipment maintenance. Compared to a year earlier, there were falls of 8.8 per cent for energy and lubricants, 6 per cent for fertilizer, 7.6 per cent for chemicals, 8.8 per cent for animal feedingstuffs and 1.1 per cent for buildings maintenance but increases of 1.8 per cent for seeds, 4.3 per cent for veterinary services and 6.7 per cent for equipment maintenance.

2. Lithuanian biotechnology company Nanda, known for its ground-breaking work in developing microbiological products for agriculture which has helped save up to €50 millions on fertilizers, has invested €3 millions in a unique biotechnology production line which will develop microorganism publication technology and produce high-yield microbiological products in powder form.
3. Research at the UK Centre for Ecology and Hydrology is gathering data to assess the ecological risks of biotechnology-based plant protection technologies which aim to control pests without affecting non-target species.
4. ADAS has launched an interactive online platform providing data collected as part of the annual Defra Survey of Crop Pests and Diseases covering the past 50 years.
5. Environmental group Ecodefyi is carrying out the Perennial Green Manures project whereby foliage harvested from trees can be used as an organic nitrogen fertilizer.

## Marketing

1. A report by the Food Standards Agency entitled 'Our Food' has thrown into doubt the resilience of the UK's food system as a result of recruitment issues. Shortages exist in official veterinarians, butchers and meat hygiene inspectors. In 2023, there were 4,000 fewer people employed in food manufacturing than in 2022.
2. According to Nielsen, in the year to 5 October, spend on cow's milk fell by 6.6 per cent and volume sales fell by 1.9 per cent. While semi-skimmed accounts for 59.6 per cent of sales, they contributed most to the decline while sales of whole milk grew by 2.3 per cent. Volume sales of cow's cheese grew by 3.7 per cent with value sales up 3.6 per cent mainly driven by cheddar, up 3.9 per cent. Volume sales of cow's butter fell by 3.5 per cent although block butter volumes increased by 5.7 per cent. Volume sales of cow's yoghurt, yoghurt drinks and fromage frais increased by 6.1 per cent with value sales up 8.4 per cent. Standard plain yoghurts grew the fastest at 21.7 per cent. Volume sales of cow's cream grew by 2.1 per cent.
3. According to Kantar, spend on beef products in the 12 weeks to 29 September increased by 4.3 per cent, compared to a year earlier, with both volumes and prices up at 2.5 per cent and 1.7 per cent respectively. Volumes of burgers and grills grew by 11.5 per cent, sausages by 19.8 per cent and cooked meats by 4 per cent. Primary beef volumes fell by 0.2 per cent although steaks grew by 4.8 per cent and stewing cuts by 1.1 per cent. Volume sales of sous vide grew by 31.1 per cent.

4. In July and August, maize imports totalled 515,000 tonnes, 28 per cent up on last year and 37 per cent above the 5-year average, the largest since records began in 2000. Compound animal feed usage in July and August increased by 23 per cent suggesting that maize has become more competitive in the feed ration.
5. The UK has secured access to South Africa for poultry estimated to be worth £150 millions over the next 5 years. The market has been restricted over the past 8 years because of avian influenza.
6. In the year to August, lamb imports totalled 47,200 tonnes, up 14,200 tonnes on a year earlier. Imports in August fell by 900 tonnes, compared to July, to 6,300 tonnes but were up 2,000 tonnes on a year earlier. Exports have fallen in line with domestic production, down 7 per cent on a year earlier, although exports grew by 940 tonnes compared to July.
7. In the 6 months to June, red meat exports rose by 2 per cent by volume to 260,000 tonnes and by 2 per cent by value to £860 millions. Beef shipments rose by 11 per cent by both value and volume with volume exports to non-EU markets up 37 per cent while exports to France rose by 6 per cent and to the Netherlands by 15 per cent.
8. In September, both Aldi and Lidl started the new apple season strongly with Aldi having 27.5 per cent of the market and Lidl 20.7 per cent. Sainsbury's followed with 14 per cent and Tesco 13.9 per cent.
9. Lidl increased the volume of British apples during the 2023/24 season taking its market share to 14 per cent compared to its grocery-market share of 8 per cent. It also succeeded in stocking British apples in all 52 weeks of the year.

## Miscellaneous

1. The latest AHDB consumer survey conducted in association with Blue Marble shows increased public confidence in British agriculture. Responses range from very positive (25 per cent), the highest for over 5 years, to somewhat positive (42 per cent), to very negative (20 per cent), the lowest for over 5 years. Positivity was highest in the fruit and veg sector (77 per cent), the cereal sector (71 per cent), dairy (68 per cent), sheep (67 per cent) and beef (64 per cent).
2. The Scotland June Agricultural Census 2024 shows that 67,400 people were employed on agricultural holdings, up 0.5 per cent on the 5-year average.
3. In 2022/23, farms in England spent £1.68 billions on new machinery, up 42 per cent on 2021/22; £590 millions was spent on used machinery, down 4.5 per cent; and sales of machinery totalled £560 millions, up 22 per cent.
4. Nuffield Farming Scholarships and the Royal Agricultural Society for England has published a new guide to help families plan succession for their farming businesses.

5. A survey conducted by the Institute of Agricultural Management has revealed that 83 per cent of agricultural professionals consider that more must be done to support the increased use of on-farm automation while 90 per cent believed that automation and artificial intelligence offered significant opportunities.
6. In association with the British Nutrition Foundation, Tesco Fruit & Veg for Schools will provide funding for 140,000 schoolchildren to receive at least one piece of fruit or veg a day. The funding will support pupils in 400 schools where there is a higher-than-average free school meals ratio.
7. King Charles has agreed to be patron of the National Federation of Young Farmers' Clubs.
8. Supported by the River Severn Partnership Advanced Wireless Innovation Region, Hartpury University and Hartpury College are to present a series of 'Farm Forward' demonstration events highlighting the latest wireless networks and technologies for the farming and rural sectors. The next event covers Soils and Environment and is on 12 November.
9. The 2025 Oxford Farming Conference will take place from 8-10 January with the theme 'Facing Change, Finding Opportunity.'
10. Jeremy Moody, Secretary and Adviser to the Central Association of Agricultural Valuers, has been awarded the 2024 Farmers Weekly Lifetime Achievement Award.
11. Low Carbon Agriculture will be held at NAEC Stoneleigh on 5-6 March 2025.



## Postscripts

1. Why do Swiss cows have bells? Their horns don't work.
2. Sorry, I'm not in a jokey mood today, my hamster just died. He fell asleep at the wheel.
3. What is brown and comes out of cows backwards? The Isle of Wight ferry.
4. Sean Connery was called by his agent. "Sean, I've got you a job – starts tomorrow, early. You'll need to be there for 10-ish". Sean furrows his brow and says "Tennish? But I don't even have a racket"!
5. A terrorist goes into a pet shop, puts a bomb on the counter and says "you have 1 minute to get out of here." The tortoise at the back of the shop says "you b.....d."
6. "Good morning Mrs Goggins" says Postman Pat, "Is everything ok?" "No it isn't Pat, the Doctor has put me on some sort of steroids and I've started to grow a penis." "Anabolic" says Pat. "No, just a penis Pat."
7. I tried warming the seat in my canoe but it melted. Turns out the old saying was right, "you can't have your kayak and heat it."
8. The fact that there's a highway to hell but only a stairway to heaven says much about anticipated traffic numbers!
9. Keir Starmer takes members of his cabinet out for dinner. The waiter asks what he will be eating tonight. "I'll have the steak" says Keir. "And what about the vegetables, sir?" Keir replies, "Oh, they'll have the same as me."

## Who's going to feed the nation?

Well, up to a point, a change to the terms of Inheritance Tax Agricultural Property Relief (APR) and Business Property Relief (BPR) was expected and frequently reported as such in the press. Abolition was out of the question due to the damage it would inflict on farms and small businesses in general.

As regards farming, one of the options mooted was a return to the position in the 1970's and early 1980's where relief was restricted to an area of 1,000 acres and , 40+ years ago, a 1,000+ acre farm was a sizeable unit.

Nothing so generous was announced in the Labour Government's October Budget where combined APR and BPR at a rate of 100 per cent has quite simply been limited to £1 million with effect from 6 April 2026 with 50 per cent relief applying to any excess. Or, to put it another way, any value of a farm in the estate of a deceased person over £1 million will be subject to an effective rate of tax of 20 per cent.

In modern day parlance, £1 million equates to 100 acres of land. Anybody with a modicum of knowledge of farming will know that, unless the farm comprises a specialist, extensive unit of top / soft fruit, vines, pigs or poultry, 100 acres, even if run by one man and his dog, is simply not viable.

At best, the current return on capital from farming is in the region of 0.5 per cent. So, a farm with a capital value of £1 million can generate annual income of £5,000, way below the National Minimum Wage where workers were awarded increases of between 6.7 and 16.3 per cent. These increases will themselves pile further pressures on struggling farms.

It is not even true to say £1 million equates to 100 acres as that limit includes items such as machinery, livestock, crops in store and in the ground, stored feed and fertilizer.

The farming industry is one of high stress, all this will do is make matters worse.

One saving grace is that when there is a need for some cheer, farmers can visit the pub where they will find their pint is a penny cheaper.

What an insult to the custodians of the environment, those who keep our country fed.



# Monthly Farming Update

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 Gleed.

The MFU was edited from 1991 to 2006 by John Nix, Emeritus Professor of  
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# CHAVEREYS

CHARTERED ACCOUNTANTS