



CHAVEREYS

CHARTERED ACCOUNTANTS & FINANCIAL ALCHEMISTS



Monthly Farming Update

December 2024

Policy issues

1. It has been announced that the proposed changes to Agricultural and Business Property Relief will not be included in the impending Finance Bill. This will lead to increased uncertainty and make planning for the future more difficult. In early 2025, the Government will publish a technical consultation which will focus on the detailed application of the reliefs to lifetime transfers into trusts and charges on trust property.
2. The Government has committed to appoint the first Commissioner for the Tenant Farming Sector in England. Further terms of reference for the Farm Tenancy Forum have been published with the objectives of:
 - making recommendations to ensure a thriving tenanted sector
 - providing quarterly updates on how the tenanted sector is progressing
 - providing feedback on trends in tenant or landlord agreements
 - feeding evidence to Defra on the impact of environmental land management schemes and the impact on the tenanted sector
 - feeding evidence to Defra on agricultural tenancy legislation
 - develop industry codes of good practice
3. The Environment, Food and Rural Affairs Committee has launched an online survey seeking views on the issues they think the committee should prioritise in 2025 and in the ensuing 5 years.

Reform

1. Defra has temporarily closed some Capital Grant schemes to new applications due to significant delays in processing.
2. As at 1 October, there were 26,000 active Sustainable Farming Incentive agreements in force, 13 per cent up on July. The highest uptake areas are Devon, East Anglia and North Yorkshire. The action covering the most land area is “Assess soil, produce a soil management plan and test soil organic matter” covering 2.943Mha, 34 per cent of the utilised agricultural area. The action involving “No use of insecticides, nematicide or acaricide on arable crops and permanent crops” covers 727,800ha, while 265,900ha of land is in options that temporarily take land out of production.
3. The Welsh Government has announced that the application windows for further Sustainable Farming Scheme preparatory phase schemes are now open. Five schemes will provide £14 millions for Welsh agriculture, three schemes are now open and two more will follow next year.
4. The Welsh Government has scrapped its plan for every farm to have 10 per cent tree coverage under the Sustainable Farming Scheme. Instead, a 10 per cent habitat figure will be supported by a hedgerow and management plan.

Grants/regulations/legislation/environment

1. Defra has issued an additional £50 millions to Internal Drainage Boards to spend on flood and water management with a particular emphasis on protecting agricultural land. Successful bids will involve projects that will improve, repair or replace Board assets including flood barriers, embankments and maintenance of watercourses.
2. United Kingdom Research and Innovation has announced the second phase of the Land Use for Net Zero Nature and People Programme with funding of £14 millions announced for 5 separate consortia of stakeholder and research organisations that will undertake cutting-edge research into the interlinking themes of soil health, agricultural systems and land use change.
3. In the UK and England, 2023 saw a continued decline in wild bird species, down 16 per cent since 1970. Between 2018 and 2023 the decline in the UK was 2 per cent but in England it was 7 per cent. In the past 5 years:
 - Farmland specialists fell by an average of 10 per cent with falls of 54 per cent in turtle dove, 25 per cent in tree sparrow, 20 per cent in greenfinch, 14 per cent in lapwing, 11 per cent in yellowhammer, 9 per cent in kestrel and 7 per cent in reed bunting. However, numbers of corn bunting have increased by 21 per cent, stock dove by 18 per cent and skylark by 9 per cent.
 - In woodland specialists, bullfinch numbers are down 22 per cent, chaffinch by 21 per cent, tawny owl by 20 per cent, lesser whitethroat by 14 per cent, dunnock by 8 per cent and blackbird and great tit both by 6 per cent. No species have shown an increase.
 - In water and wetland specialists, major declines have been seen in lapwing, coot and tufted duck, all at 20 per cent, great crested grebe at 17 per cent and curlew at 8 per cent. However, sand martin numbers have increased by 49 per cent, cetti's warbler by 44 per cent and little egret by 17 per cent.
 - Upland species badly affected include red grouse, down 31 per cent, peregrine falcon down 39 per cent and pied/white wagtail down 15 per cent. However, stonechat numbers are up 80 per cent and red kite by 29 per cent.
4. The Government has launched a new Tree Planting Taskforce bringing together ministers from the four UK nations, key forestry delivery partners and arm's length bodies to coordinate and oversee the planting of millions of trees across the UK.
5. Sightings of the Asian Hornet were recorded on 1 November at South Alkham in Kent and Udimore in East Sussex.

Other matters of farm finance and tenure

1. Defra has published details of Farm Business Income (FBI) in England for the year to February 2024.
 - FBI for cereal farms fell by 73 per cent to an average of £39,400.
 - For general cropping farms, FBI fell by 24 per cent to £95,300.

- Following two good years, FBI for dairy farms fell by 68 per cent to £70,900.
 - Lower output caused a fall on lowland grazing farms of 25 per cent to £17,300 while higher costs caused a fall of 12 per cent on Less Favoured Area grazing livestock farms to £23,500.
 - Specialist pig farms saw an increase of 87 per cent to £135,800 while specialist poultry farms recorded an increase of 25 per cent to £143,600.
 - FBI on mixed farms fell by 67 per cent to £22,700.
 - Horticulture farms recorded a fall of 38 per cent in FBI to £59,100.
2. British Berry Growers has published a report which it claims is ‘the most comprehensive assessment of the value, challenges and opportunities for the British berry growers ever undertaken.’ The report states:
- Retail sales rose 9.8 per cent between 2020 and 2023.
 - The British berry industry contributed £624 millions to the national economy in 2023.
 - 38 per cent of growers experienced cost increases ranging from 21 per cent to 40 per cent.
 - There is an urgent need for long-term supply agreements.
 - Longer seasonal worker visas are needed.
 - Financial support is required to improve productivity.
 - Changes are needed in retailer relationships.
 - Increased scientific development to include precision breeding, artificial intelligence and robotics.
3. The Agricultural Price Index for outputs rose by 4.3 per cent in September, compared to a year earlier, and by 0.9 per cent compared to August. The index for inputs fell by 4.9 per cent and 0.6 per cent respectively.
4. The Welsh Government has published its June survey of agriculture and horticulture:
- Over 90 per cent of the land area of Wales is given over to farming.
 - The number of sheep and lambs has remained unchanged at 8.7 millions but this is still the lowest since 2011.
 - The number of cattle and calves has fallen from 1.12 millions to 1.09 millions with beef herd down 5.8 per cent and the dairy herd down 1.3 per cent.
 - The area of cereals rose by 4 per cent to 53,000 ha but is only 3 per cent of the total agricultural area.
5. With effect from 6 April 2025, the rate of interest on tax paid late will increase to 4 per cent above Bank of England base rate.

Product prices

A. Market background

1. Sterling, whilst volatile throughout, closed up against the Euro, but down against the US Dollar this month. Sterling opened the month at 84.4p per Euro and gained strength in the first two weeks to peak at 82.7p. Thereafter, significant volatility saw it fall past 83.6 on multiple occasions before recovering in the final week to close at 83.0p per € (1.4p stronger). Against the US Dollar, Sterling gained a little in the early days but fell for most of the month, before a partial recovery in the final week. From an opening position of 77.6p, after a nadir of 79.9p, Sterling closed the month at 78.5p per \$ (0.9p weaker).
2. The seemingly unstoppable rise of the gold price finally came to an end this month (although it did set another new 'all-time-high'). Opening at £2,132 per troy ounce, it fell back over the first two weeks to a low of £2,004, then climbed to a peak of £2,171, before falling back to close the month at £2,082 per troy ounce (a net fall of £50).
3. Crude oil prices, whilst volatile, did not swing too far this month before closing marginally down. Brent Crude opened at \$72.81 per barrel, rose to \$75.63, fell to \$71.04 and rose to \$75.17 before falling to a close at \$71.84 per barrel, a net loss of \$0.97.

B. Crops

1. The wheat market weakened overall but closed the month on a marginally upward trend, whilst barley closed up on the previous month. A similar combination of factors is driving the market: re-escalating tension in the Black Sea region bringing general uncertainty and a risk of lower output; improved weather in the US wheat belt; but also an improved outlook for the Australian crop is adding to the downward pressure. The average milling premium has fallen closer to the 5-year average to between £35 and £40 per tonne. Feed wheat futures closed down across the board, having been lower during the month; by late November deliveries for November 2025 and 2026 were £188/tonne (-5) and £195/tonne (-2) respectively. The oilseed rape market made notable gains in the month, however, a round of profit taking by speculators and a fall in the wider oilseeds market, partly due to favourable Australian forecasts, saw these gains lost by the end of the month. The pulse market saw peas fall, whilst beans held firm. Average spot prices in late November (per tonne ex-farm): feed wheat £177 (-3); milling wheat £216 (-3); feed barley £151 (+2); oilseed rape £406 (-); feed peas £237 (-17); feed beans £217 (-).

C. Livestock

1. The average live-weight cattle prices for steers and heifers both improved this month. The average steer price, from its opening average of 279p/kg lw, climbed throughout the month to close at 299p/kg lw (up 20p, to sit 18p/kg above the average a year earlier). The average finished heifer price rose from its opening position of 288p/kg lw, climbing week on week, to a closing average of 319p/kg (up 31p, to sit 28p above the average a year earlier). The average dairy cow price was highly volatile: climbing from its opening position of £1,598 per head to an early peak of £1,752, dropping to a low of £1,513, then peaking at £1,991 before relaxing to close the month at £1,816 per head (up £218 overall to sit £540 above the prior year average).
2. The average finished lamb price (SQQ liveweight, new season) closed significantly up this month, improving steeply in the first and last week and steadily in between. Opening at 278p/kg lw, the average had reached 299p/kg before jumping in the final week to a closing average of 314p/kg (up 36p/kg and 55p/kg above the average a year earlier).
3. The average UK all pig price (APP) closed down overall. From an opening position of 211p/kg dw, it fell to 209p/kg, recovered marginally to 210/kg dw but then fell back to 209p/kg where it closed the month (down 2p, sitting 8p below the closing average a year earlier).
4. The UK milk price continued to improve, with updated draft figures (not finalised) for September showing a gain of 1.48ppl, to sit at 43.06ppl. The EU average farmgate milk price for September remains fractionally below the UK average at 42.90ppl, 1.22ppl above the August average and 4.41ppl above the average a year earlier.

Other crop news

1. AHDB has issued its 2024 Cereal Quality Survey
 - 12.5 per cent protein content in UK flour millers group 1 wheat samples, below the 5-year average of 12.9 per cent and the lowest since 2014.
 - Average specific weight for group 1 wheat varieties 77.8 kg/hl, above the milling specification of 76.0kg/hl but below the 5-year average of 78kg/hl.
 - Average Hagberg falling numbers for group 1 wheat varieties of 343 seconds, 32 seconds above the 5-year average.
 - Average moisture content in wheat of 14.2 per cent, within the 15 per cent specification.
 - 1.57 per cent nitrogen levels in winter barley, below the 5-year average of 1.68 per cent.
 - 1.44 per cent nitrogen levels in spring barley, below the 5-year average of 1.58 per cent.

- Average specific weight in winter barley of 63.8kg/hl, the lowest since records began in 1996.
- The average percentage retained over a 2.5mm screen was 86.2 per cent in winter barley, below the 5-year average; average of 94.9 per cent for spring barley, 0.2 per cent above the 5-year average.
- Average barley moisture content of 16.6 per cent, the highest since records began in 2008.

2. AHDB forecasts for 2024/25 show that:

- Total demand for cereals for animal feed will be down 282Kt at 12.632Mt.
- Human and industrial total cereals usage will be down 131Kt to 10.705Mt.
- Wheat availability is estimated to be 16.788Mt, down 1.581Mt.
- Human and Industrial wheat consumption will be 7.328Mt, down 171Kt.
- Wheat usage in animal feed will be 6.457Mt, down 675Kt.
- The balance of availability and domestic consumption will be 2.711Mt, down 21 per cent on 2023/24 and down 3.214Mt on the 5-year average.
- Barley availability will be up 94Kt at 8.527Mt.
- Human and Industrial barley consumption will be down 55Kt to 1.862Mt.
- Usage of barley in animal feed will be up 197Kt to 4.385Mt.
- Maize availability will be up 33Kt at 2.82Mt.
- Human and Industrial maize usage will be up 103Kt at 1.021Mt
- Maize in animal feed will be up 97Kt at 1.44Mt.
- The balance of maize supply and demand will be 355Kt, down 167Kt on 2023/24.
- Oats availability will be up 154Kt at 1.189Mt.
- Human and Industrial oat consumption will be down 7Kt at 493Kt.
- Usage of oats in animal feed will be up 99Kt at 350Kt.
- The balance of oat supply and consumption will be up 62Kt at 264Kt.

3. The Agricultural Price Index for September shows increases of 2.1 per cent for potatoes, compared to a year earlier, 13.4 per cent for oilseed rape, 22.7 per cent for forage plants, 0.5 per cent for fresh vegetables and 15.5 per cent for fresh fruit but there were falls of 1.1 per cent for wheat, 12.8 per cent for barley and 19.6 per cent for oats. Compared to August, there were increases of 0.9 per cent for wheat, 8.1 per cent for oilseed rape and 37.5 per cent for fresh fruit while there were falls of 9.3 per cent for barley, 18.8 per cent for oats, 14.4 per cent for potatoes, 13.5 per cent for forage plants and 2.2 per cent for fresh vegetables.

4. The AHDB Early Bird Survey of cropping intentions shows:
 - Wheat up 5 per cent at 1.613m/ha but below the 2019-2023 average of 1.705m/ha.
 - Winter barley down 1 per cent at 380,000 ha.
 - Spring barley down 13 per cent at 704,000 ha. With winter barley also down, this could result in the smallest barley acreage since 2014.
 - Oats up 3 per cent at 189,000 ha, slightly above the 2019-2023 average.
 - Oilseed rape down 17 per cent at 239,000 ha, the lowest for 42 years.
 - An increase of 51 per cent in the arable uncropped area.
5. The US Department for Agriculture has forecast the Australian wheat harvest to be 32Mt although some suggest it could be as high as 34Mt. The average over the last 5 years has been 29.8Mt.
6. Legislation has been introduced, to be effective from the end of 2026, whereby folic acid must be added to non-wholemeal flour by millers and flour producers to protect newborn babies from serious brain and spine problems.
7. Changes are to be introduced in hemp licence regulations. Licence holders will be permitted to grow hemp anywhere on a licensed farm with effect from 2025 rather than having to designate a specific field. With effect from 2026, the licence will run for 6 years rather than 3 and the start date of a licence may be deferred for one year once issued.
8. As at 18 November, FranceAgriMer has reported winter wheat planting as 90 per cent complete, surpassing the 5-year average of 87 per cent. However, emergence stands at 65 per cent, 10 per cent behind the 5-year average.
9. AHDB and GB Potatoes have agreed on the use of residual potato levy reserves to fund 7 industry projects:
 - Potato blight project – monitoring genetic changes and fungicide sensitivity.
 - Aphid-monitoring project - national aphid monitoring to provide data.
 - Management tools to tackle viruses project – a proposal to join Horticulture Crop Protection on behalf of the seed sector to sustain high-grade seed production.
 - Reputational management project – strategic monitoring, proactive crisis management, centralised coordination, influencer engagement and media outreach.
 - Bridging information gap project – provision of data on cultivation, varieties and national yield.
 - CIPC residue monitoring project – providing data to the Chemical Regulation Division to assess chlorpropham residues in stores.

- Updating nutrient management (RB209) project – ensure revisions of fertilizer recommendations reflects current technologies.
10. The UK Agri-Tech Centre has conducted a feasibility study with Kent apple growers, Rumwood Green, and crop protection advisers, Landseer Ltd, on the project ‘Apple Orchard Health: Evaluating Hyperspectral Imagery for Disease Detection and Biostimulant Efficacy.’ Even with plant protection products, gradually being phased out, the annual crop loss due to apple scab is estimated to be 10-12 per cent and the use of biostimulants is seen as an environmentally acceptable alternative.
 11. Fera Science has launched the Enigma IV project with the aim of improving predictive diagnostics for Tobacco Rattle Virus, a leading cause of Spraing which has been known to damage up to 50 per cent of potato crops.
 12. According to LEAF, 20 per cent of raspberries go to waste each year not being fit for supermarkets. Penthos Spirits has combined with Herefordshire fruit farmers to take all waste raspberries to produce Wonky Raspberry Gin which is being sold in Sainsbury’s.
 13. Sharpak has collaborated with berry grower WB Chambers to supply padless technology for delicate berries cutting packaging weight by 17 per cent and providing a fully recyclable packaging solution through kerbside collection.
 14. Slovenian company EPOS has developed Trapview, automated self-cleaning traps to catch codling moth. The system is fully automated and results in optimal use of crop protection products.
 15. Californian wine company E&J Gallo Winery has adopted the AVIX Autonomic laser at its Talbot Vineyards to deter birds attracted by colour changes in the grape bunches which can cause considerable crop damage. A solar-powered green laser beam travels constantly through the vineyard, scaring the birds without causing any harm.

Other livestock news

1. The latest report from the Veterinary Medicines Directorate shows that sales of antibiotics for use in food producing animals, adjusted for animal populations, were 25.7mg/kg in 2023, a reduction of 59 per cent. Since 2014 there has been a fall in usage in pigs of 69 per cent, 72 per cent in broilers, 51 per cent in gamebirds, 85 per cent in turkeys and 67 per cent in laying hens.
2. AHDB has issued forecasts for beef and sheep production to 2030. The baseline for beef is a decline of 6.1 per cent, with more positive market conditions and profitability, the best-case scenario would be a decline of 5.2 per cent and the best-case + shows a reduction of 2.2 per cent. For sheep meat, the baseline forecasts a decline of 0.6 per cent but the best-case is an increase of 3.7 per cent and the best-case + shows an increase of 8.5 per cent.

3. According to the British Cattle Movement Society, births to dairy dams in the 3 months to September totalled 458,473 head, 3 per cent up on a year ago and the highest recorded figure for the quarter. However, year-to-date registrations are only up 0.8 per cent. This would indicate a shift to autumn block calving.
4. Bluetongue Serotype 3 has been confirmed in cattle on a farm in Hampshire resulting in an extension of the restricted zone to include parts of Hampshire and Wiltshire.
5. The Agricultural Price Index for September shows increases of 8 per cent for cattle and calves, compared to a year earlier, 17.4 per cent for sheep and lambs, 18.2 per cent for milk and 4.7 per cent for eggs but there were falls of 6.6 per cent for pigs and 13.2 per cent for poultry. Compared to August, there were increases of 1.2 per cent for poultry and 3.6 per cent for milk but falls of 0.1 per cent for cattle and calves, 0.3 per cent for pigs and 4.1 per cent for sheep and lambs.
6. Arla has increased its price for conventional milk by 2.66ppl to 47.65ppl and by 1.78ppl for organic milk to 57.64ppl.
7. In the 7 months to October, organic milk deliveries totalled 203.21 million litres, down 9.3 per cent on a year earlier and down 23.1 per cent on 2022/23. However, in October, production rose by 2.5 per cent compared to a year earlier. In the 12 weeks to 5 October, the volume of milk with an organic claim rose by 0.3 per cent while organic yoghurt rose by 9.8 per cent and butter by 43 per cent but organic cheese fell by 36.4 per cent.
8. Tesco, Arla and Muller have launched the Future Dairy Partnership to put sustainability at the heart of the dairy industry. The partnership has pledged to reduce on-farm emissions by 2030 and will include projects such as the trial and roll-out of methane-reducing feed additives.
9. First Milk has increased its member milk price by 1.5ppl to 45.35ppl.
10. The Competition and Markets Authority has approved the acquisition of Volac's Whey Nutrition business by Arla Foods Ingredients.
11. The Global Dairy Trade auction on 5 November saw average price increases of 4.8 per cent.
12. During October, UK prime cattle slaughterings rose by 13 per cent, compared to a year earlier, to 204,000 head; beef and veal production rose by 12 per cent to 92,000 tonnes; sheep slaughterings fell by 1.7 per cent to 1,088,000 head, the lowest October on record; mutton and lamb production fell by 1.1 per cent to 25,000 tonnes; pig slaughterings rose by 8.9 per cent to 966,000 head; and pigmeat production rose by 9.2 per cent to 90,000 tonnes.
13. Arla, Morrisons, Tesco and Aldi are trialling the use of Bovaer, a feed additive which reduces enteric methane emissions from cows by an average of 27 per cent.

14. The full economic cost of production of pork in the 3 months to September was 190p/kg dw with margins per slaughtered pig estimated at £19.40 per head and 21.90p/kg dw. The estimated cost of production fell by 5p compared to the previous quarter.
15. With effect from 2030, farmers in Denmark will have to pay a levy of £34 per tonne of methane on emissions from livestock, with an increase to £84 per tonne planned for 2035.
16. H5N1 avian influenza has been detected in a pig in a backyard farm in Oregon.
17. The Competition and Markets Authority is to investigate the acquisition of ForFarmers' Buston feed mill site by Boparan over concerns that the takeover of the Norfolk plant could lead to a 'substantial lessening of competition' leading to Boparan having the 'ability and incentive to harm rival poultrymeal producers.'
18. During October, UK commercial layer chick placings fell by 9.6 per cent, compared to a year earlier, to 3.8 million chicks; broiler chick placings rose by 3 per cent to 110.1 million chicks; turkey chick placings rose by 6.2 per cent to 900,000 birds; turkey slaughterings fell by 22 per cent to 700,000 birds; broiler slaughterings rose by 5.4 per cent to 114.1 million birds; and poultry meat production rose by 1.4 per cent to 198,800 tonnes.
19. Highly pathogenic avian influenza HPAI H5N1 has been confirmed in commercial poultry near St Ives in Cornwall and near Hornsea in the East Riding of Yorkshire.

VIII Inputs/Supply businesses

1. During November, European natural gas futures for December increased by €7.73 per megawatt hour to €46.9/MWh, the highest level since November 2023. UK natural gas futures for December reached their highest level this year, up 20.2 per cent in November alone to £119.22p/therm.
2. The Agricultural Industries Confederation has launched 'Agri-supply: An action plan for sustainable efficiency.' The plan provides insight and inspiration for businesses operating in major agri-supply sectors with the aim of helping them enhance their sustainability credentials while becoming more efficient and fit for the future.
3. The Agricultural Price Index for September shows falls of 16.4 per cent for energy and lubricants, compared to a year earlier, 7.3 per cent for fertilizers, 13.4 per cent for chemicals, 9.4 per cent for animal feedingstuffs and 0.7 per cent for buildings maintenance but there were increases of 10.8 per cent for veterinary services, 1.9 per cent for seeds and 4.6 per cent for equipment maintenance. Compared to August, there were falls of 4.2 per cent for energy and lubricants, 0.7 per cent for fertilizers, 1.7 per cent for chemicals, 0.3 per cent for buildings maintenance and 0.3 per cent for equipment maintenance but there were increases of 0.3 per cent for seeds, 0.1 per cent for veterinary services and 0.7 per cent for animal feedingstuffs.

4. Rothamsted Research has trapped aphids which are resistant to neonicotinoids and have a strong resistance to pyrethroids, never before seen in the UK. It is thought they have either flown or been blown into the UK or have arrived on imported plant material.
5. Veolia has combined with Wormgania to recycle 3 tonnes of spent coffee grounds from a Starbucks store in Bradford. The process involves feeding worms a mixture of paper pulp and spent coffee grounds which are digested to produce a nutrient rich fertilizer, such as humus or vermicompost, that contains beneficial microbes, fungi and bacteria that improves soil health.

Marketing

1. According to Kantar, in the year to 1 September, spend on out-of-home foods increased by 11.3 per cent with lamb up 13.9 per cent, beef up 12 per cent, meat-free up 10.5 per cent, pork up 8.9 per cent, chicken up 5.9 per cent and fish up 4.1 per cent. Average spend on a meat-free trip was £5.83 compared to £8.64 on a meat/fish/poultry trip. Repeat purchases of meat-free dishes was 67 per cent compared to 98 per cent for meat/fish/poultry dishes. Spend on vegetarian dishes has risen by 33.6 per cent while spend on plant-based dishes has fallen by 13.8 per cent.
2. According to Nielsen, in the year to 2 November, spend on cow's milk fell by 6.3 per cent and volumes by 1.8 per cent. The main decline was in semi-skimmed milk which makes up 59.6 per cent of volume sales but whole milk volumes grew by 2.3 per cent. Cow's cheese volumes grew by 3.8 per cent with cheddar up 4.1 per cent. Volume sales of cow's butter fell by 3.5 per cent although block butter volumes increased by 6 per cent. Volume sales of cow's yoghurt, yoghurt drinks and fromage frais grew by 6.4 per cent with spend up 8.2 per cent. Plain yoghurts grew the fastest, up 22.7 per cent. Cow's cream volumes grew by 2.5 per cent.
3. Morrisons is to provide all suppliers with a 5 per cent discount on purchases.
4. According to Kantar, spend on beef products in the 12 weeks to 3 November increased by 3.5 per cent because of higher prices but volumes were flat. Stewing cuts increased by 9.3 per cent and mince by 0.8 per cent but volumes of other cuts fell. Volumes of beef sausages increased by 25.1 per cent and sliced cooked meats by 2.4 per cent.
5. Smithfield meat market is to close, after 800 years of trading.
6. In the 12 weeks to 3 November, Kantar has reported that volumes of lamb purchases increased by 6.8 per cent while prices increased by 5.8 per cent resulting in a 12.9 per cent increase in retail spend. Roasting joints increased by 20 per cent. However, processed lamb fell by 5.5 per cent with burgers and grills down 5.2 per cent while sous vide grew by 22.8 per cent and marinades by 14.5 per cent.

7. According to World Potato Markets, the UK imported potatoes and potato products with a value of £1.41 billions in the year to September, up 16 per cent on the previous year and 156 per cent more than 10 years ago. However, exports fell by 2 per cent in the last year and were only up 26 per cent on a decade ago in volume/value terms.
8. According to Kantar, in the 12 weeks to 3 November, volume sales of pigmeat fell by 3.2 per cent, compared to a year earlier, a fall of 6,650 tonnes. A 1.2 per cent increase in average prices led to a decline in spending of 2 per cent. Volumes of processed pigmeat fell by 5.3 per cent and sliced cooked meats by 7.7 per cent. Roasting joints increased by 5.3 per cent by volume while sales of pork ribs were up 11.7 per cent. Sous vide sales increased by 13.3 per cent, marinades by 15.5 per cent and ready to cook by 11.3 per cent.
9. Backed by the British Leek Growers Association, a new promotional campaign has got underway to encourage more consumers to eat British leeks.
10. While pork production growth in Brazil has slowed 1 per cent in 2024, exports in the 9 months to September grew by 5 per cent to 1.05Mt, the highest on record.
11. Vegan meal producer Allplants has called in administrators.

Miscellaneous

1. Figures from NFU Mutual show that the cost of farm fires increased by 37 per cent in 2023 to £110.3 millions. The main cause of fire were electrical faults, lightning strikes and arson. Claims involving growing crops, buildings and equipment fell by 15 per cent but individual claims grew in value.
2. Defra estimates show the total number of people working on agricultural holdings in England on 1 June was 285,000, down 2.6 per cent on a year earlier.
 - Farmers, business partners, directors and spouses accounted for 61 per cent, down 3.1 per cent.
 - Regular workers increased by 1.5 per cent to 66,000.
 - Casual worker numbers fell by 7.3 per cent.
 - 16 per cent of farmers were female, broadly across all age groups.
 - 38 per cent of farmers were over 65, only 15 per cent were under 45.

Postscripts

1. An old farmer got up in the middle of the night to use the toilet. As he was heading back to bed, he looked out of the window and saw the lights on in his shed. A closer inspection revealed men loading his tools and farm machinery into their truck. He rushes to the phone and calls 999.

“I need the police! There are some guys clearing out my shed!” “Ok sir, we have dispatched officers, they should be there in about an hour.” “An hour?! But they’ll be long gone by then!” “I’m sorry sir but there are no officers in your area.”

The farmer hangs up angrily, waits a few minutes and then calls 999 again.

“Hi, it’s me again. Don’t worry about sending those police officers, I’ve just shot the robbers” and he hangs up.

Less than 10 minutes later, three police cars and a helicopter arrived and the robbers are arrested. The sergeant goes up to the house and bangs on the door. The farmer opens its in his dressing gown and holding a cup of tea.

“What’s going on!? You said you shot the robbers!”

“You said there were no officers in my area...”!

2. Three men die on Christmas Eve and are met by St. Peter at the pearly gates. “In honour of this holy season,” St. Peter says, “to get into heaven, you must each possess something that symbolises Christmas.”

The first man pulls a lighter from his pocket and flicks it on. “This flame represents a candle,” he says.

“You may pass through the pearly gates,” says St. Peter.

The second man reaches into his pocket and pulls out a set of keys. Shaking them, he says, “These are bells.”

“You may enter.”

The third pulls out a pair of ladies panties.

St. Peter, confused, asks, “What do those symbolise?”

The man replies, “They’re Carol’s.”

3. As he pushes his wailing child through the supermarket, a young father repeats softly, “Don’t get excited, Josh ... Don’t scream, Josh ... Keep calm, Josh.” A fellow shopper, impressed by the father’s calm demeanour, says, “You should be commended for trying to soothe your son.”

The father replies, “I’m Josh”.

4. A farmer hears a knock on his door, it's a man in his mid-thirties who looks like he's been travelling a while. The man asks if he could earn a meal and a place to stay for the night.

"Do you have any skills?" The farmer asks. "Well, I do have a rare gift – I can communicate with animals." "...sure you can," the farmers says. "But I like your style. I'll put you to work."

So the man does a few chores around the farm and earns his meal. At dinner, he says to the farmer, "I know you don't believe me, but I actually do communicate with animals. I can prove it. I spoke to the hens, and they said you were there every morning before dawn to collect their eggs, and you've been doing so every day for years since your wife passed away."

The farmer says, "Wow, that's exactly right!"

The man continues, "I spoke to your cow, and she said you've faithfully milked her every day before dawn, and you've been doing so every day for years since your wife passed."

The farmer says, "I'm amazed. That's true."

The man says, "And I spoke to your sheep ..."

"That sheep is a liar!"

5. A farmer walks into a lawyer's office wanting to file for divorce. The lawyer asks, "May I help you?"

The farmer says, "Yeah, I want to get one of 'em divorces."

The lawyer said, "Well, do you have any grounds?"

"Sure do. I got me 'bout 140 acres."

The lawyer says, "No, you don't understand. Do you have a case?"

The farmers says, "Nope, M' tractor's a John Deere."

The lawyer says, "No, no. I mean do you have a grudge?"

The farmer says, "Yeah, I got me a grudge, that's where I parks me Land Rover."

The lawyer says, "No sir, I mean do you have a suit?"

The farmer says, "Yes sir, I got me a suit. I wear it to church on Sundays."

The exasperated lawyer says, "Well sir, does your wife beat you up or anything?"

The farmer says, "Oh no sir. We both get up 'bout the same time, four thirty."

Finally, the lawyer says, "Okay, let me put it to you this way - Why do you want to divorce your wife?"

The farmer replied, "I just can't have a meaningful conversation with her."

Prepare for battle while you're around to do it!

Inheritance Tax (IHT) is a hot topic at the moment but, as far as farmers are concerned, for all the wrong reasons. Despite the protestations of the Chancellor and other Ministers who supposedly represent agriculture, there are very few who believe the statements as to how few farming families will be affected. So far, the author has not found a single unaffected case of those which have been reviewed.

Now HM Revenue & Customs, with impeccable timing, has released details of the IHT tax take in 2021/22. In this period:

- 4.39 per cent of UK deaths resulted in an IHT charge, up 0.66 per cent – compare this to 25 per cent of farming estates which are forecast by the Government to be affected by the proposed changes.
- The proportion of estates incurring an IHT liability is at its highest since 2016/17.
- IHT liabilities totalled £5.99 billions, up 4 per cent on 2020/21.
- The combined value of agricultural and business property relief (APR/BPR) was £4.4 billions, up 5 per cent. While BPR fell by £0.4 billions, or 11 per cent, the value of APR rose by £0.6 billions, or 54 per cent.
- The value of APR claimed rose to £1.6 billions with 1,730 estates benefiting, the highest since 2014/15.

The Government claims that only 500 estates each year will be affected by the changes to APR. In 2021/22, the average APR claim was £925,000 so this may be how it arrived at the £1 million allowance. However, £925,000 is an average, some claims will have been very small, compensated by a number of much larger claims. The reduction in the relief for larger estates, who are the country's main food producers, will generate the additional tax cost which has been clearly demonstrated as unaffordable.

HMRC appears to have decided to concentrate its investigating efforts on larger estates, deeming smaller estates not worth of scrutiny. In 2023/24, IHT investigations yielded £285 millions, despite fewer cases being investigated, an increase of 14 per cent.

So, with more agricultural estates falling into the 'large' category and the reduction in APR, those estates can now expect HMRC to be conducting detailed investigations into APR claims.

Whatever happens to the proposed changes, it would seem imperative that agricultural estates ensure their IHT affairs are in the best possible order.

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
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