



CHAVEREYS

CHARTERED ACCOUNTANTS & FINANCIAL ALCHEMISTS



Monthly Farming Update

January 2025

Policy issues

1. In the first week of December, the Government injected £343 millions into the rural economy. £223 millions was added to the Countryside Stewardship Scheme and £74 millions to the Environmental Stewardship Scheme.

Reform

1. A new Countryside Stewardship Higher Tier scheme is to open 'in the summer' but will be by invitation only.
2. Analysis from the Energy and Climate Intelligence Unit has revealed that hill farmers in England are only receiving 8 per cent of the Sustainable Farming Incentive budget despite occupying 15 per cent of the national area.
3. By 12 December, 94 per cent of Welsh farms had received their 2024 Basic Payment in full.
4. The recent Welsh Budget has confirmed that the 2025 Basic Payment will be unchanged from 2024.

Grants/regulations/legislation/environment

1. With support from Quality Meat Scotland, AHDB has 170 farms taking part in an environmental baselining pilot aiming to measure the environmental impact of each farm. Bluesky is to carry out LIDAR scanning which will be used to estimate above-ground carbon stocks and provide run-off water maps.
2. In 2022, 97.98 per cent of England's generated load from wastewater treatment works was compliant with the Urban Waste Water Treatment Regulations. Of the 1,450 agglomerations generating more than 2,000 population equivalent (PE) of wastewater, 19 agglomerations, generating 1,219,046 PE of wastewater, were not compliant. Water companies generated 811,693 tonnes of sludge of which 94.4 per cent was reused for soil and agriculture.
3. Natural England has claimed that, despite 'significant public investment, Dartmoor's Sites of Special Scientific Interest were still in a poor state due to land management practices such as overgrazing, draining and burning. It highlighted sheep numbers which had been maintained at the high end of allowable ranges.' It also reported that land management agreements had failed due to a 'history of non-compliance' with difficulty establishing consensus among farmers. Defra has advised it will create an independently chaired Dartmoor land-use management group.

4. To comply with the Welsh Government's Control of Agricultural Pollution Regulations, a survey of 400 farmers has found that the cost for the 30 per cent who had invested in infrastructure or were planning to do so was over £100,000 with 12 per cent claiming the cost was in excess of £200,000. Of the 146 farmers who have already invested, less than 40 per cent had received grant support. 73 per cent of those polled did not believe there would be an improvement in water quality while only 2 per cent held the contrary view.
5. The Science-Based Targets Initiative, a corporate climate action strategy that enables businesses and financial institutions to develop standards, tools and guidance leading to a net-zero economy, has approved Branstons greenhouse gas reduction targets. Branston has committed to reaching overall net zero emissions across the value chain by 2050 with a near term target of 60 per cent in Scope 1 and 2 emissions and 58.8 per cent in Scope 3 by 2033.
6. The Scottish Government has allocated a further £5 millions in its latest Budget for the restoration of coastal temperate rainforests.
7. Grants starting at £20,000 are to be made available to charities to have the means to collect and distribute surplus food from farms.
8. Autopickr, in association with Coopers Croft Vineyard and Wine GB, has been awarded £475,000 through the Farming Innovation Programme to develop 'Vinny' a robot which will be capable of performing multiple vineyard tasks such as hand-picking, green harvesting and canopy management.

Other matters of farm finance and tenure

1. Statistics on Farm Accounts for the year to February 2024 have been published:
 - Average Farm Business Income (FBI) was lower for all farm types except for specialist pig farms and specialist poultry farms.
 - For cereal farms, FBI fell by 73 per cent to £39,400.
 - FBI of general cropping farms fell by 24 per cent to £95,300.
 - FBI of dairy farms fell by 68 per cent to £70,900.
 - On lowland grazing farms, FBI fell by 25 per cent to £17,300.
 - On grazing livestock farms in Less Favoured Areas, FBI fell by 12 per cent to £23,500.
 - FBI of specialist pig farms rose by 87 per cent to £135,800.
 - On specialist poultry farms, FBI rose by 25 per cent to £143,600.
 - Basic Payment represented about 40 per cent of FBI.
 - Net income from agri-environment activities rose by 14 per cent to an average of £10,600.
 - 71 per cent of farm businesses had some form of diversified activity with letting out buildings being the most popular at 50 per cent followed by generating solar energy at 27 per cent.

2. The June survey covering the UK shows:
 - The total utilised area fell by 1.5 per cent to 16.8mha, 69 per cent of the total UK land area. There were falls of 1 per cent in England and 3.2 per cent in Scotland.
 - The croppable area increased by 1.3 per cent to 6.2mha.
 - Arable crops fell by 5.4 per cent to 4.1mha with cereals down 3.9 per cent at 3mha.
 - The wheat area fell by 11 per cent to 1.5mha; barley increased by 5.1 per cent to 1.2mha; and oilseed rape fell by 25 per cent to 293,000 ha.
 - The potato area increased by 3.1 per cent to 118,000 ha; ware peas increased by 46 per cent to 89,000ha; field beans fell by 37 per cent; and maize increased by 11 per cent.
 - The area of horticultural crops fell by 2 per cent to 142,000 ha.
3. The Agricultural Price Index for outputs for October increased by 4.4 per cent, compared to a year earlier, but was unchanged on September. The index for inputs fell by 3.5 per cent and 0.5 per cent respectively.
4. The Animal Plant Health Agency's laboratories in Weybridge are to be upgraded at a cost of £200 millions.
5. The Welsh Government is progressing Permitted Development Rights to allow temporary campsites to run for 60 days rather than 28 days at present.

Product prices

A. Market background

1. Sterling rose marginally against the Euro but closed down against the US Dollar this month. Sterling opened the month at 83.0p per Euro and swung repeatedly, over the course of the month, between 83.3p and 82.1p, before closing at 82.7p per € (0.3p stronger). Against the US Dollar, Sterling improved a little in the early days but fell for the rest of the month. From an opening position of 78.5p, having peaked at 78.1p, Sterling fell to a closing position of 79.8p per \$ (1.3p weaker).
2. The gold price appears to have levelled out after numerous months of increase in succession. Opening at £2,082 per troy ounce, it remained volatile, but the movements were small, hitting a low of £2,060 and a peak of £2,135, before falling back to close the month at £2,098 per troy ounce (a net gain of £16).
3. Crude oil prices, whilst moderately volatile, did not swing far this month before closing marginally down. Brent Crude opened at \$71.84 per barrel and rose above \$74 on multiple occasions, but also fell to a low of \$71.04 before improving to close the month at \$74.64 per barrel, up \$2.80.

B. Crops

1. With limited trading in the pre-Christmas slow-down, the wheat market weakened overall. The factors driving the market remain similar to those of previous months: the uncertainty of the Black Sea region and the 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. Feed wheat futures closed up across the board, more materially in the longer term; by late November deliveries for November 2025 and 2026 were £193/tonne (+5) and £202/tonne (+7) respectively. The oilseed rape market was supported by limited availability of supplies, giving some upward price pressure but with the backdrop of favourable soya yield forecasts in South America, meanwhile, the pulse market saw peas and beans both fall back.

Average spot prices in late December (per tonne ex-farm): feed wheat £177 (-); milling wheat £212 (-4); feed barley £151 (-); oilseed rape £417 (+11); feed peas £233 (-4); feed beans £213 (-4).

C. Livestock

1. The average live-weight cattle prices for steers and heifers went in different directions this month. The average steer price, from its opening average of 299p/kg lw, hit an early peak of 306p/kg before falling back to close at 301p/kg lw (up 2p, to sit 30p/kg above the average a year earlier). The average finished heifer price improved from its opening position of 319p/kg lw, peaking at 323p/kg, before falling back over the remainder of the month to a closing average of 309p/kg (down 10p, to sit 29p above the average a year earlier). The average dairy cow price remained highly volatile: falling hard from its opening position of £1,816 per head to a mid-month low of £1,488, before bouncing back with a full recovery to close the month at £1,829 per head (up £13 overall to sit £718 above the prior year average).
2. The average finished lamb price (SQQ liveweight, new season) hit the seasonal shut-down marginally down. Opening the month at 314p/kg lw, the average dropped to 307p/kg before a partial recovery in the final week led to a closing average of 311p/kg (down 3p/kg and 47p/kg above the average a year earlier).
3. The average UK all pig price (APP) held steady overall in the lead up to the Christmas close. From an opening position of 209p/kg dw, it held level for much of the month, improved marginally to 210/kg dw but then fell back to 209p/kg where it closed (static, sitting 6p below the closing average a year earlier).
4. The UK milk price has continued to improve, with the final figure for September showing a gain of 1.60ppl, to sit at 43.18ppl; furthermore, the initial reports for October suggest a material improvement of 1.99ppl, taking the price over 45ppl. The EU average farmgate milk price for October remains below the UK average at 44.46ppl, 1.54ppl above the September average and 4.83ppl above the average a year earlier.

Other crop news

1. Final estimates of UK cereal and oilseed production have been published:
 - The wheat harvest is 11.1m tonnes, down 20 per cent on 2023 and the smallest since 2020. The average yield was down 10 per cent to 7.3t/ha.
 - The barley harvest is 7.1m tonnes, up 1.8 per cent. The winter barley yield fell by 9.8 per cent to 6.4t/ha while the spring barley yield increased by 4.1 per cent to 5.7t/ha.
 - Oats production increased by 19 per cent to 986,000 tonnes with the yield up 8.6 per cent to 5.4t/ha.
 - The oilseed rape harvest fell 32 per cent to 824,000 tonnes with the yield down 9.7 per cent to 2.8t/ha.
2. Latest crop planting reports from AHDB reveal:
 - 27 per cent of winter wheat was drilled in September, 46 per cent in October and 22 per cent in November. At the end of November, 44 per cent was in excellent or good condition while 9 per cent was rated as poor.
 - 54 per cent of winter barley was drilled in September, 33 per cent in October and 9 per cent in November. 57 per cent is rated excellent or good while 3 per cent is poor/very poor.
 - 75 per cent of oilseed rape was drilled in August, 23 per cent in September and 2 per cent in October. 72 per cent is rated as excellent/good with 7 per cent poor/very poor.
3. Strategie Grains and Coceral are both predicting an 11 per cent increase in the EU soft wheat harvest in 2025. Strategie Grains is forecasting 126.6Mt against 114.2Mt this harvest while Coceral is only 0.1Mt adrift on both predictions. France has reported an 8.7 per cent increase in the wheat acreage while Germany is predicting a 12.3 per cent increase.
4. Data released by the Scottish Government concerning the 2024 harvest shows:
 - Total cereal production was 3 million tonnes, down 2 per cent on 2023 but on a par with the 5-year average.
 - Spring barley production rose by 2 per cent to 1.663Mt and was up 1 per cent on the 5-year average.
 - Winter barley fell by 6 per cent to 328,000 tonnes but was on a par with the 5-year average.
 - Wheat fell by 16 per cent to 826,000 tonnes and was 8.5 per cent down on the 5-year average.
 - Oats were up 15 per cent at 182,000 tonnes and were on a par with the 5-year average.
 - Oilseed rape fell by 20 per cent to 133,000 tonnes and by 5 per cent compared to the 5-year average.

5. In the period July to October:
 - Total wheat milled fell by 8.1 per cent, compared to the same period in 2023, to 1.992Mt.
 - Home grown wheat milled fell by 18.8 per cent to 1.46Mt.
 - Imported wheat milled rose by 43.9 per cent to 532,600 tonnes.
 - Total flour production fell by 9.2 per cent to 1.538Mt.
 - Brewers, maltsters and distillers used 580,200 tonnes of barley, down 9.7 per cent, and 384,600 tonnes of wheat, up 11.9 per cent.
6. The Agricultural Price Index for October shows increases of 8 per cent for potatoes, compared to a year earlier, 22.5 per cent for oilseed rape, 23.5 per cent for forage plants and 5.7 per cent for fresh fruit but there were falls of 0.6 per cent for wheat, 10 per cent for barley, 21.6 per cent for oats and 7.4 per cent for fresh vegetables. Compared to September, there were increases of 2.4 per cent for wheat, 2.2 per cent for barley, 1.5 per cent for oats and 6.4 per cent for oilseed rape, but falls of 1.3 per cent for forage plants, 3.7 per cent for fresh vegetables and 1.3 per cent for fresh fruit.
7. RGT Hexton has been added to the AHDB Recommended List for wheat. A soft Group 4 variety, it has a high treated yield of 105 per cent rising to 111 per cent in the North region. It has a Hagberg of 236, specific weight of 77 and is rated medium for distilling. It rates 7 for yellow rust and 5 for brown rust but has a high septoria rating of 6.8 and is resistant to orange wheat blossom midge. KWS Scope has also been added to the list yielding 108 per cent and up to 111 per cent in the West region. It is rated medium for distilling and has a good resistance to septoria at 6.5 per cent but its untreated yield is only 85 per cent. KWS Vibe is a Group 1 wheat which will have its status confirmed in the spring by UK Flour Millers. It has protein levels of 13.2, a Hagberg of 283, a treated yield of 98 per cent and a high untreated yield of 89 per cent. In disease resistance, it scores 8 for yellow rust, 6 for brown rust and 6.6 for septoria.
8. Cambridge University Crop Science Centre has been granted a variation to the consent to grow genetically modified barley hordeum vulgare plants based on the cultivar Golden Promise.
9. The 2025 AHDB Oilseeds Recommended List includes LG Adapt, at 108 per cent the highest yielding variety. It scores 7 for light leaf spot and 6 for stem canker plus a claim of pod shatter resistance. It is suitable for all regions. For the North, LG Avenger and Powerhouse are recommended. LG Avenger has a high yield of 106 per cent, a light leaf spot resistance of 7 and a stem canker rating of 5 but it is susceptible to verticillium. Powerhouse from Elsoms is the highest yielding conventional variety for the North at 102 per cent with the same disease resistance as LG Avenger.

For the East/West region, Maverick from MPZU has the highest yield at 109 per cent with a rating of 9 for stem canker but it lacks pod shatter resistance. Hinsta and Magelan from Limagrain both yield 106 per cent and have a stem canker resistance of only 5 while Magelan is one of the few varieties that offers moderate resistance to verticillium.

- 10.** British On-Farm Innovation Network and its partners have formed the ‘Thriving Roots Underpinning Total Soil Health’ project. It is a £1 million research programme led by a consortium of the University of Nottingham, the John Innes Centre, PES Technologies and the UK Agri-Tech Centre to reshape how farmers understand and manage their soil and root health. The programme will develop a sensor which can detect a soil’s unique biological ‘signature’, covering over 10 soil health indicators. The sensor is being refined to measure microbial diversity and the fungal-to-bacterial ratio.
- 11.** The Processors and Growers Research Association has published new varieties of peas and beans:
 - Pangea, from NPZ, is a green pea, the highest yielding on the 2025 list at 114 per cent with high resistance to powdery mildew.
 - Midori, from NPZ, is the top yielding marrowfat variety at 103 per cent.
 - Notilus, from Senova, and Eagle, from LG, are the highest yielding spring beans at 110 per cent.
 - Ketu, from NPZ, is a spring bean yielding 107 per cent and also is a low vicine/convicine variety.
 - Loki, from NFZ, is a spring bean yielding 103 per cent which has a high resistance to rust.
 - KWS Bram is a combining yellow pea yielding 118 per cent while Marler from Cope Seeds & Grain and NOS Blonde from Elsoms yield 116 per cent.
 - Miro, from Senova, is an early-maturing winter bean yielding 101 per cent and a high rating for chocolate spot but a low rating for downy mildew.
- 12.** Under the Bayer-NIAB Challenge Grant Programme, Bayer is to provide £100,000 to fund research into genetic diversity in wheat, control of flowering in strawberries, root symbiosis in wheat and phenotyping technology.
- 13.** The Royal Horticultural Society has revealed the results of trials that demonstrate peat-free growing media can perform comparably or better than peat-based alternatives using the same amount of water.
- 14.** A study published in The American Journal of Clinical Nutrition has suggested that apples and pears are in the top five fruit and vegetables for nutritional quality.
- 15.** The University of Maryland has developed a yellow and a red variety of apple which are heat tolerant, blight-tolerant, low-maintenance, easy to harvest and have a very good flavour.

16. German propagator Stefan Kraenge has released Aylin, a high-yielding, early June-bearer strawberry, selected especially for substrate cultivation.
17. Saffron Grange Vineyard in Essex is trialling a grape picking robot developed by Extend Robotics in association with Queen Mary University. The robot uses AI-drive sensors to identify ripe grapes which are then picked by pressure-sensitive grippers. The sensors measure internal sugar levels and a combination of virtual reality and remote operation is used to develop an autonomous harvesting operation.
18. The Hutchinsons Vineyard Guide has been published.

Other livestock news

1. The June survey of livestock populations in the UK has revealed the following compared to a year earlier:
 - Cattle and calves fell by 1.5 per cent to 9.4 million head.
 - The beef herd fell by 4.5 per cent to 1.344 million head.
 - The dairy herd was unchanged at 1.836 million head.
 - Pig numbers were stable at 4.7 million head.
 - Sows in pig fell by 0.8 per cent to 236,000 head.
 - Sows being suckled or dry sows fell by 3.1 per cent to 327,000 head.
 - The female sheep breeding flock fell by 3.6 per cent to 14.88 million head.
 - Other sheep and lambs fell by 1 per cent to 16.14 million head.
 - Poultry numbers fell by 1.2 per cent to 176 million birds.
 - Hens and pullets laying eggs for eating increased by 1 per cent to 41.86 million birds.
 - The breeding flock increased by 1 per cent to 54.61 million birds.
2. The bluetongue restricted zone has been increased to include parts of Dorset, additional areas of Wiltshire, Oxfordshire, Hampshire and an additional part of North Yorkshire.
3. In the year to September, the number of new bovine TB herd incidences in England was unchanged from a year earlier although there were increases of 1 per cent in the High risk and Edge areas but a fall of 14 per cent in the Low risk area. There were falls of 33 per cent in Scotland and 9 per cent in Wales. The number of herds not officially TB free fell by 4 per cent in England, with falls of 5 per cent in the High risk area and 12 per cent in the Low risk area but a rise of 2 per cent in the Edge area. There was a fall of 46 per cent in Scotland.
4. A single case of atypical Bovine Spongiform Encephalopathy has been confirmed on a farm in Dumfries and Galloway.

5. The Institute of Auctioneers and Appraisers in Scotland, the National Beef Association and the Scottish Beef Association have claimed that Scotland's smallest herds, with fewer than 30 cows, which make up almost half of all beef holdings and 10.3 per cent of breeding dams, could see a potential funding reduction of £241,240, the loss of one and a half livestock marts and a large abattoir as a result of proposed amendments to the Scottish Suckler Beef Support Scheme.
6. The Agricultural Price Index for October shows increases of 10.9 per cent for cattle and calves, compared to a year earlier, 10.3 per cent for sheep and lambs, 21.8 per cent for milk and 4.6 per cent for eggs but there were falls of 5.8 per cent for pigs and 12.5 per cent for poultry. Compared to September, there was an increase of 4.6 per cent for milk but falls of 0.3 per cent for cattle and calves, 1 per cent for pigs, 3.8 per cent for sheep and lambs and 2.4 per cent for poultry.
7. During November, UK prime cattle slaughterings fell 5.3 per cent, compared to a year earlier, to 177,000 head; beef and veal production fell 5.9 per cent to 80,000 tonnes; sheep slaughterings fell 11 per cent to 1,013,000 head; mutton and lamb production fell 11 per cent to 23,000 tonnes; pig slaughterings fell 3.5 per cent to 879,000 head; and pigmeat production fell 3.9 per cent to 82,000 tonnes.
8. Rabobank has predicted a 0.5 per cent increase globally in milk supplies mainly as a result of gains in Oceania and the EU and the momentum is expected to continue in 2025 with growth of 0.8 per cent.
9. As of October, the GB milking herd totalled 1.64 million head, down 0.9 per cent compared to a year earlier and the lowest October figure on record.
10. During October, 1,194 million litres of milk were made available to UK processors, up 9.5 per cent on September. Liquid milk production rose by 5.7 per cent to 522 million litres; cheese production rose by 8.5 per cent to 40,100 tonnes; butter production rose by 0.6 per cent to 16,200 tonnes; and milk powder production rose by 48 per cent to 8,100 tonnes.
11. Arla has increased its price for conventional milk by 0.89ppl to 48.54ppl with the organic price rising by the same amount to 58.52ppl.
12. MMG Dairy Farmers has received recognition as a Dairy Producer Organisation. The body represents 1,200 dairy farmers who supply Muller Milk & Ingredients.
13. The latest list of native animal breeds at risk has been published:
 - Cattle: Aberdeen Angus; Belted Galloway; British Friesian; British White; Dairy Shorthorn; Dexter; Galloway; Guernsey; Hereford; Highland; Jersey; Lincoln Red; Longhorn; and Sussex.
 - Horses: Clydesdale; Dartmoor Pony; Exmoor Pony; Fell Pony; New Forest Pony; Shire Horse; Suffolk; and Welsh Mountain Pony.

- Sheep: Cotswold; Dorset Down; Herdwick; Jacob; Portland; Romney; and Southdown.
 - Pigs: British Landrace; British Saddleback; Gloucestershire Old Spots: Large Black; Large White; and Tamworth.
14. The National Sheep Association has requested farmers to complete its latest sheep-worrying survey. The survey is available on www.sheep-worrying.org.uk and closes for submissions on 21 February.
 15. RSPCA Assured has announced new welfare standards for pigs which will come into effect this year. They include the introduction of split-sexing of male and female pigs once they have reached a liveweight of 50kg, the transportation of cull sows and boars and how surplus piglets are managed and with what equipment.
 16. Highly Pathogenic Avian Influenza H5N1 has been confirmed at a third premises near Watton, Norfolk; at four premises near Beverley in the East Riding of Yorkshire; at a second premises near Attleborough, Norfolk; and at a premises in Hingham, South Norfolk. A regional avian influenza prevention zone has been declared in Norfolk, Suffolk, Lincolnshire, Kingston upon Hull and the East Riding of Yorkshire. The surveillance zone around a premises near Rosudgeon, St Ives, Cornwall has been lifted.
 17. During November, UK commercial layer chick placings fell by 14 per cent, compared to a year earlier, to 2.7 million chicks; broiler chick placings rose by 6.5 per cent to 85 million chicks; turkey chick placings fell by 4.1 per cent to 600,000 chicks; turkey slaughterings fell by 12 per cent to 1.6 million birds; broiler slaughterings fell by 2.7 per cent to 87.5 million birds; and total poultry meat production fell by 4.3 per cent to 160,000 tonnes.
 18. Bletsoes has announced it is to cease providing auction services at Stratford-upon-Avon Livestock Market.

VIII Inputs/Supply businesses

1. Defra is to review and update the approach to discussions on applications for emergency authorisations in England for the use of neonicotinoids. Further, potential changes to legislation will be identified and assessed to stop the use of emergency authorisations for the use of products containing clothianidin, imidacloprid or thiamethoxam.
2. Estimates of UK soil nutrient balances for 2023 have been published:
 - The nitrogen balance was a surplus of 82.9kg/ha of managed agricultural land, up 4.8 per cent on 2022 but down 23.5 per cent on 2000.
 - The phosphorus balance was a surplus of 2.9kg/ha of managed agricultural land, up 4.5 per cent on 2022 but down 69.7 per cent on 2000.

3. The Agricultural Price Index for October shows falls of 14.9 per cent for energy and lubricants, compared to a year earlier, 7.1 per cent for fertilizers, 13.6 per cent for chemicals, 7.1 per cent for animal feedingstuffs and 0.8 per cent for buildings maintenance but there were increases of 0.6 per cent for seeds, 15.1 per cent for veterinary services and 5.1 per cent for equipment maintenance. Compared to September, there were falls of 0.2 per cent for seeds, 0.3 per cent for chemicals and 0.4 per cent for buildings maintenance but increases of 1.2 per cent for energy and lubricants, 0.4 per cent for fertilizers, 5.6 per cent for animal feedingstuffs and 0.8 per cent for equipment maintenance.
4. Dutch growing media company Comgoed has received RHP Certification for a new raw material-spent substrate.
5. Botanicoir has introduced a new premium peat-free coir substrate designed for plant propagation.

Marketing

1. The UK has joined the Comprehensive and Progressive Trans-Pacific Partnership, a free trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The members generate 13 per cent of global GDP.
2. The Groceries Code Adjudicator has revealed that delayed payments, the delisting of products without reasonable notice and forecasting are the main complaints levelled at retailers by suppliers.
3. China has agreed to end the Covid-era restrictions on the import of UK unprocessed pork. The industry estimates the market is worth £80 millions.
4. Data from NIQ Homescan POD in respect of the year to November shows:
 - Spend on cow's dairy grew by 0.3 per cent with growth in average prices of 0.6 per cent.
 - Spend on cow's milk fell by 5.7 per cent with volumes down 1.7 per cent. Only whole milk saw volume growth at 2.5 per cent.
 - Volumes of cow's cheese grew by 4.2 per cent and spend by 3.1 per cent. Cheddar saw increased volumes of 4.4 per cent.
 - Volumes of cow's butter fell by 3.3 per cent with spend down 2.5 per cent, mainly due to a fall in sales of butter spreads. Volumes of block butter grew by 6 per cent while volumes of plant-based spreads grew by 8.5 per cent.
 - Spend on cow's yoghurt, yoghurt drinks and fromage frais grew by 8.5 per cent with volumes up 6.5 per cent. Growth was strongest in standard plain and standard flavoured yoghurts.
 - Volumes of cow's cream grew by 2.2 per cent.

5. The latest report on the global beef market shows:
 - The European Commission has forecast a decline in beef production in 2024 of 0.5 per cent with a further decline of 1 per cent in 2025.
 - The US Department for Agriculture has forecast a 4 per cent decline in production in 2024 but consumption is expected to be up 3 per cent. Australia has grown its market share from 16 per cent to 23 per cent.
 - Exports from Brazil in the January-November period have totalled 2.3Mt with over 50 per cent destined for China.
 - The Australian cattle herd is expected to contract in 2025 resulting in a 1 per cent increase in beef production but then falling in 2026.
 - Beef imports into China have grown by 3 per cent, mainly from Brazil and Argentina. This growth is expected to increase as consumption continues to rise.
6. According to Kantar, volume sales of lamb have increased by 6 per cent in the year to 1 December despite similar percentage increases in prices. In the out of home market, lamb sales increased by 8 per cent in the year to 1 September. Kantar research indicates that lamb is more than twice as likely to be chosen for treat reasons compared to others, as well as for taste, enjoyment and ease of preparation.
7. Data released by HMRC regarding pork trade for the period July to September shows:
 - UK pig meat exports totalled 72,500 tonnes, up 4.5 per cent on a year earlier.
 - In the 9 months to September, pig meat exports totalled 221,000 tonnes, similar to the previous year. Fresh and frozen pork volumes fell by 3,000 tonnes and bacon by 2,700 tonnes but offal volumes rose by 4,400 tonnes.
 - Pig meat imports fell by 2 per cent, in July-September, to 192,900 tonnes.
 - In the 9 months to September, total pig meat imports were 580,700 tonnes, similar to a year earlier.
8. Kantar has indicated that spend on beef products increased by 3.4 per cent in the year to 1 December, with 0.3 per cent due to volume and 3.1 per cent due to price. Primary beef volumes recorded a decrease of 0.1 per cent with mince increasing by 1.8 per cent and stewing cuts by 6 per cent. Volumes of processed beef increased by 1.6 per cent with cooked meats up 1.5 per cent and beef sausages up 43.8 per cent. Sous vide rose by 37.1 per cent and marinade by 27.8 per cent.
9. In the 3 months to 1 December, volume sales of lamb increased by 3.1 per cent while prices increased by 5.2 per cent leading to an overall increase in sales of 8.5 per cent. Volume sales of primary lamb fell by 1.4 per cent although roasting grew by 5 per cent and stewing cuts by 7.2 per cent. Volumes of processed lamb fell by 12.8 per cent with burgers and grills down 13.8 per cent. Sous vide and marinades both recorded increases of 11.1 per cent and 17.7 per cent respectively.

10. BerryWorld's new packaging, involving 100 per cent recycled plastic punnets and a FSC accredited paper-based lid, has been awarded a Gold Medal at The Grocer New Product & Packaging Awards 2024.

Miscellaneous

1. The UK Food Security Report for 2024 has been published. This shows:
 - The UK's source of food from domestic production is 60 per cent while 40 per cent is imported.
 - The production to supply ratio was 62 per cent for all food, up 1 per cent, and 75 per cent for foods which can be grown in the UK, also up 1 per cent.
 - Domestic production of fresh fruit increased from 15 per cent in 2021 to 16 per cent in 2023.
 - The EU accounted for 64 per cent of the volume of imports of food, feed and drink in 2023 but total volumes of imports were 6 per cent down on 2018.
 - The proportion of food secure households fell to 90 per cent in 2023, down 2 per cent on 2020.
 - Mean intakes of saturated fat, free sugars and salt exceeded the recommended maximum while mean intakes of fibre, fruits and vegetables and oily fish fell below.
 - The poorest 10 per cent of households are eating 42 per cent less fruits and vegetables than recommended while the wealthiest households eat 13 per cent less.
 - 84 per cent of households with disabled people are classified as food secure compared to 94 per cent without.
 - 93 per cent of those surveyed in Scotland were concerned about the cost of food compared to 72 per cent in England, Wales and Northern Ireland.
2. An NFU Mutual Study of Department of Transport figures has revealed that 969 people died on rural roads in 2023 compared to 571 on urban roads. It found that collisions on rural roads are four times more likely to result in a fatality with 1 in 32 collisions resulting in death compared to 1 in 122 on urban roads.
3. The Government is to repeal the cut-off date of 2031 for the registration of historic rights of way.
4. Branston has donated a regular supply of potatoes to FareShare UK thereby contributing towards two million meals.
5. In the New Year's Honours list there was an OBE for Professor Rosemary Collier of the University of Warwick for services to Horticultural Science and the Technologies of Pest Control; MBEs for Dr Amanda Carson, lead of the Small Ruminant Export Group at the Animal and Plant Health Agency; Duncan Farrington, founder of Farrington Oils; and Michael Oakes, chair of the National Dairy Board of the NFU.

6. The Thanet Earth Centre of Excellence @ Hadlow College, a partnership of Thanet Earth, Hadlow College and Growing Kent & Medway, has concluded its first year having donated a tonne of its produce to FareShare, providing the equivalent of 2,260 meals and supporting 27 charity and community groups.
7. Malpas Tractors, machinery dealers in the North West, has gone into administration.

Postscripts

1. A French baker was found dead under 1,000 baguettes. They said he died in a lot of pain. After they photographed the body, the police had to baguette. There was de brie everywhere. He was crust to death. It happened when he yeast expected it. Flours were sent to the funeral home.
2. As I suspected, someone has been adding soil to my garden. The plot thickens.
3. My old car has no shock absorbers and the springs are worn out, so I suffer from extreme anxiety and dread when driving on roads with potholes. The suspension is killing me.
4. Did you hear about the girl who ate only plants? You probably never heard of herbivore.
5. I went drinking with my mate and got into an argument about what to call a medieval soldier. It started getting late so we called it a night.
6. An old man is lying in the hospital bed. Feeling that these may be the last moments of his life, he says to his wife: "I always felt that our seventh child was different from the others. Tell me the truth, does he have a different father?"
Wife: "Yes ..."
Husband: "Who's the father?"
Wife: "You are."
7. A factory worker died after falling into a vat of coffee. Paramedics said he didn't suffer – it was instant.
8. I think my doctor was coming on to me. She kept saying I had a cute appendicitis.
9. How do farmers party? They turnip the beets.
10. There was once a very successful farmer from Texas who started gaining interest in his ancestry. After doing some digging, he traced his lineage back to a small town in Ireland. And lo and behold, they were a family of farmers. So he packed his bags and took a trip to Ireland to visit the small town to see if he could track down some of his kin.

After landing in Dublin, and driving an hour outside of the city, he stopped in a pub to grab a drink and start asking around about his family. The Texan sat down, ordered a pint, and started talking to the Irishman sitting at the bar. After explaining his story and the purpose of the trip, the Irishman responded, “You don’t say! I’ve never heard of your family, but I’m a farmer as well. Tell me, what’s is like farming in Texas?”

“Gladly,” the Texan said, “farming in Texas has been quite lucrative for me. If you started out in the morning, and drove west, you could drive all day before you reached the end of my property. And if you started the next day and drove East all day, you wouldn’t reach the end of my property. Same thing North and South, you could drive either direction all day and you wouldn’t reach the end of my farmland”

“Ahh, I know what you mean,” said the Irishman, “I’ve got a tractor like that as well.”

It's a pity Reeves doesn't follow Rayner and encourage planning!!

The Finance Bill has been published and, as forecast, there is no mention of the proposed changes to Agricultural Property Relief and Business Property Relief. Given that the Government, in defending its proposals, claims that most farmers and business owners will avoid the impact by planning, it is a bit rich, to say the least, to deny those affected the opportunity to scrutinise the details of the legislation and plan the future accordingly. The cynic would say 'what did you expect?' But it is simply not fair to expect taxpayers to plan ahead based on headline statements.

Two items of relevance do feature in the Bill.

Firstly, land is to be treated as agricultural property occupied for the purposes of agriculture if:

- The land was agricultural property throughout the period of two years ending on the day on which it became subject to an environmental management agreement and it has subsequently been used in accordance with the agreement.
- The above rule also applies to any building used in connection with the land subject to the agreement.

The provision will apply to any transfers of value made on or after 6 April 2025.

The second item concerns furnished holiday lettings where legislation is proposed to treat such lettings as ordinary residential lets with effect from 6 April 2025.

This means that a furnished holiday lettings business will no longer constitute a trade for either Income Tax or Capital Gains Tax purposes. Case law has, for some time, dictated that a furnished holiday lettings business has not qualified for Inheritance Tax Business Property Relief other than in exceptional circumstances.

One major benefit of a furnished holiday lettings business has been the ability to transfer qualifying properties and claim Holdover Relief thereby avoiding any immediate liability to Capital Gains Tax. This relief will remain for the next three months and so careful thought should be given as to whether intra-generational gifts should be made. A simple Declaration of Trust will suffice, changes at Land Registry can wait.

Also, if a disposal of qualifying property has been made, there is still time to claim Rollover Relief into other qualifying property or indeed Business Asset Disposal Relief.

Don't delay, at least put your thinking cap on.

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

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