



# CHAVEREYS

CHARTERED ACCOUNTANTS & FINANCIAL ALCHEMISTS



## Monthly Farming Update

July 2025

## Policy issues

1. The Government's June Spending Review has seen the Defra budget move from 7.3 billions in 2024/25 to £7.5 billions in 2025/26-2027/28 and £7.4 billions in 2028/29. In real terms, this is a fall of 0.7 per cent in the period 2023/24 to 2028/29 and 2.3 per cent in the period 2025/26 to 2028/29. Only the Foreign, Commonwealth and Development Office has endured a greater budget reduction in the period 2025/26 to 2028/29.
2. Defra is to initiate a review tackling unfair practices in the combinable crops supply chain.
3. The Government has published its Industrial Strategy which includes agri-tech and precision breeding technology as areas of focus.
4. The Government is to invest all pollution fines levied on water companies since October 2023 and all future fines into projects to improve water quality in the environment.
5. Late last month, the Horticultural Trades Association represented UK horticulture at a joint meeting of Domestic Advisory Groups and Civil Society Forums with these groups advising on the impacts and opportunities of the UK-EU Trade and Cooperation Agreement with particular reference to the Sanitary and Phytosanitary agreement.

## Reform

1. Defra has confirmed reductions to payments under the Basic Payment Scheme:
  - For 2025, a 76 per cent reduction will apply to the first £30,000 to which the claimant was entitled to in 2020.
  - A 100 per cent reduction will be applied to any further 2020 entitlement.
  - For 2026 and 2027, a 98 per cent reduction will apply to the first £30,000 of the 2020 entitlement.
  - A 100 per cent reduction will be applied to any further 2020 entitlement.
2. Funding under Environmental Land Management Schemes will increase from £800 millions in 2023/24 to £2 billions in 2028/29.
3. The Scottish Upland Sheep Support Scheme processed over 95 per cent of all eligible applications by the end of May resulting in over £6 millions being paid to more than 1,000 hill farmers.
4. The Future Farming Investment Scheme in Scotland, with £14 millions available for capital investment, will open for applications this month. Small farms, tenants, new entrants and young farmers will be given priority.

## Grants/regulations/legislation/environment

1. Defra is seeking evidence and insights on how best to support and incentivise business sectors to invest in nature recovery. It seeks views from businesses, investors, nature service providers, environmental organisations and the public on how government can work with business sectors to:
  - Use the most effective policy measures to increase business investment in protecting and improving the natural environment in England.
  - Secure the economic benefits of a healthy natural environment and of business innovation in environmental protection and improvement.
  - Identify and manage any risks for business, communities or consumers arising from increased business investment in the natural environment.The consultation closes on 7 August.
2. Almost 100 scientists have contributed to the EU Soil Data Health Cube, a layered map which is expected to revolutionise how farmers, land managers and policy makers sustainably manage soil in Europe. The project integrates enormous numbers of observations and data points on soil, climate and vegetation using a multidimensional matrix.
3. The Environment Agency has launched applications for a new round of specialist water assessments, supporting farmers who collaborate on drought resilience measures. £1.1 millions will fund 12 new screening studies across England, known as local Resource Options. Strengths and weaknesses of different water management options will be assessed, including multi-farm reservoirs, treated wastewater recycling systems and collaborative irrigation networks.
4. The Scottish Government has released carbon footprint estimates for agricultural enterprises for 2023/24:
  - Average beef emission intensity ranged from 30.9 to 32.8kg CO<sub>2</sub> e/kg dwt.
  - Average sheep emission intensity was 35.5kg CO<sub>2</sub> e/kg dwt on Less Favoured Area farms but only 25.2kg CO<sub>2</sub> e/kg dwt on Lowland farms.
  - Average emission intensity for milk production was 1.3kg CO<sub>2</sub> e/kg FPC milk, up 2 per cent as average yields fell.
  - Emission intensity for cereals production rose by 14 per cent to 258kg CO<sub>2</sub> e/tonne crop and by 7 per cent on general cropping farms to 241 kg CO<sub>2</sub> e/tonne crop mainly due to increased rates of fertilizer usage.
5. The Environment Agency has declared drought status for the northwest of England and Yorkshire.

**6. Results of the Farm Practices Survey for 2025 show:**

- 63 per cent of farms had a nutrient management plan, up from 56 per cent.
- 13 per cent used anaerobic digestion.
- 49 per cent are taking action to reduce greenhouse gas emissions primarily involving recycling waste materials and improving energy efficiency.
- 79 per cent spread manure or slurry on grass or arable land while 83 per cent use fertilizers.
- 58 per cent store manure in the open without cover while 38 per cent store slurry ‘in lined or unlined earth bank lagoons without cover.’
- 84 per cent of livestock farms use a clover mix on temporary grassland while 73 per cent use high sugar grasses.
- 60 per cent of livestock farms use a ration formulation programme or nutritional advice.

**7. In 2023, Scottish net emissions of the basket of 7 greenhouse gases were 39.6 million tonnes carbon dioxide equivalent, down 1.9 per cent on 2022. Reductions in emissions were seen in the electricity generation, fuel supply, buildings and products uses, domestic transport, industry and waste but increases were seen in international aviation and shipping and land use, land use change and forestry.**

**8. Statistics have been released for residual waste in England in 2023:**

- The estimated amount of residual waste was 58.7 million tonnes, down 1.9 per cent on 2022 and 8.9 per cent on 2019.
- This equates to 1,017kg per person, down 2.9 per cent on 2022 and 11.2 per cent on 2019.
- Residual waste sent to landfill fell by 15.3 per cent between 2019 and 2023, to 38.5 million tonnes, and by 17.4 per cent per person.
- Residual waste put through incineration increased by 15.2 per cent to 18.6 million tonnes or 322.1kg per person.

**9. Researchers at Kew Gardens and Queen Mary University, London have found that a new generation of ash, growing naturally in woodland, exhibits greater resistance to ash dieback compared to older trees.**

**10. Scientists at the US Department of Agriculture’s Agricultural Research Service have promoted a reason for honey bee colony collapse. Findings have identified a high level of deformed wing virus A and B and acute bee paralysis in all recently sampled bees. The viruses responsible are spread by parasitic Varroa destructor mites and screening of mites showed signs of resistance to amitraz, a critical miticide widely used by American beekeepers. Between the summer of 2024 and January 2025, more than 60 per cent of commercial bee colonies were lost, a total of 1.7 million colonies with a financial impact of \$600 millions.**



11. In 2024/25, 14,860 hectares of degraded Scottish peatlands were restored, taking the total to 90,000 hectares by 2026 and 250,000 hectares by 2030. The Scottish Government has extended the Nature Restoration Fund to 2026/27.
12. The Wealden Heaths National Nature Reserve in Surrey has been declared the 9<sup>th</sup> in the Kings Series. The reserve covers 2,756 ha and is home to Nightjars, Sand Lizards, Adders and Natterjack Toads.
13. Veolia has added £150,000 to its Sustainability Fund and is expanding its criteria to include social projects alongside environmental initiatives. The fund is open to not-for-profit organisations, community groups and individuals in areas where the company delivers recycling and waste services.
14. The Welsh Government has added 10 new sites comprising a total of 389 hectares to the National Forest for Wales network. The sites include Coed Uno, the first agroforestry site which hosts workshops through the Hwb Dysgu'r Tir project offering visitors opportunities to learn about integrating trees with agricultural production.
15. Sightings of Asian hornets have been confirmed in Shepherdswell, Barham, Chatham, Kennington, Hythe, Ashford, Dover, Snowdown, New Romney and Ewell Minnis, all in Kent, in Hastings, East Sussex, and Shoreham, West Sussex.

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

1. Estimates of Total Income from Farming (TIFF) for the UK for 2024 have been published:
  - TIFF amounted to £7.7 billions, up 26.4 per cent on 2023, with inputs down £1.2 billions and outputs up £0.4 billion.
  - Livestock output rose by 5.6 per cent to £20.1 billions with eggs up 35.2 per cent, beef 9.3 per cent and milk 5.5 per cent.
  - Egg prices rose by 8.7 per cent, largely due to an increase in free range production, and production rose by 4.1 per cent.
  - Beef production rose by 3.8 per cent.
  - Crop output fell by 5.3 per cent to £11.7 billions with wheat down 26.9 per cent, barley 14.1 per cent and oilseed rape 30.8 per cent.
  - Inputs fell by 5.5 per cent to £20.9 billions with the value of fertilizer down 20.5 per cent.
  - Agriculture's contribution to the economy, known as Gross Added Value, was £14.5 billions, up 12.8 per cent but only 0.56 per cent of total GVA.

2. According to independent consultants at CBI Economics, rather than saving the Government £500 millions each year, changes to Inheritance Tax are likely to cost the Exchequer £1.9 billions by 2030. The CBI analysis found that 60 per cent of farms and businesses were planning to reduce investment by over 20 per cent in the light of the changes. Already, about 25 per cent of affected businesses have cut staff and, by 2030, over 200,000 jobs are expected to be lost. Areas including Yorkshire, the East of England and East Anglia are expected to be hardest hit.
3. Representing a group of farmers and business owners, legal firm Collyer Bristow has issued proceedings in an attempt to seek a Judicial Review following the Government's change to Inheritance Tax reliefs announced in the Autumn Budget. The claim asks that farmers be allowed to participate in a 'proper consultation exercise.'
4. The Scottish Government has released 2024 figures on Total Income from Farming:
  - TIFF is estimated to be £1.3 billions, up 44 per cent on 2023.
  - Output remained stable at £4.6 billions but costs fell by 12 per cent to £3.8 billions.
  - The output of the beef, egg, pigs and poultry sectors all reached record levels but output of sheep and lambs fell.
5. The Agricultural Price Index for April for outputs increased by 3.5 per cent, compared to a year ago, and by 0.6 per cent compared to March. The index for inputs fell by 0.4 per cent in both cases.
6. The Horticultural Trades Association has claimed that the proposed changes to Inheritance Tax will create a 'lose-lose' scenario for the UK. New data has revealed that the effect of the reforms on the horticultural sector alone will ultimately cost the Exchequer £36 millions in net tax revenues by 2030. The reforms could lead to a fall of £60 millions in the environmental horticulture sector, with broader economic losses of £143 millions due to decreased industry activity. Further, there may be a loss of 1,300 jobs.
7. In its latest Business Births and Death Index, Cynergy Bank has reported that, in the first 3 months of 2025, 805 new agricultural businesses were created but there were 1,890 closures.
8. According to Savills, only 17,900 acres of land across Great Britain were marketed in the first 3 months of the year, down 28 per cent on last year. However, in April alone, 22,300 acres came to the market.

**9.** Defra has announced the latest prices for Biodiversity Credits:

- Low distinctiveness habitats - £42,000.
- Medium distinctiveness habitats - £42,000 for heathland and scrub, grassland, individual trees, urban and crop land; £48,000 for woodland, forest and intertidal sediment; and £125,000 for reservoirs and ponds.
- High distinctive habitats - £42,000 for reedbeds and orchards; £48,000 for calcareous grassland, tall herb communities, dunes with sea buckthorn, heathland and open mosaic habitats on previously developed land; £66,000 for wet woodland, felled woodland, birchwoods, littoral mud, littoral muddy sand; £125,000 for floodplain wetland, ponds or priority habitat, temporary lakes, ponds and pools, coastal lagoons, littoral rock, saltmarshes and saline reedbeds, littoral seagrass, coastal vegetated shingle, maritime cliffs and slopes, inland rock outcrop and scree habitats, upland mixed ashwoods, native pine woodlands, lowland mixed deciduous woodland, lowland beech and yew woodland and upland oakwood; £650,000 for low and high alkalinity lakes, marl lakes and peat lakes.
- Hedgerows - £44,000.
- Watercourses - £230,000.

**10.** The Crofting and Scottish Land Court Bill has been published. The Bill will strengthen the role of grazing committees sharing common land and give farmers and rural communities a greater say in how the land they work on is used. The Bill will also amalgamate the Scottish Land Court and the Lands Tribunal.

**11.** The Scottish Government has launched a Land Based Pre-apprenticeship Programme with funding of £1.8 millions. It has also relaunched the Next Generation Practical Training Fund, open until March 2027, with funding of over £300,000 each year to help young people access skills training.

## Product prices

### A. Market background

- 1.** Sterling weakened against the Euro but climbed against the US Dollar this month. Having opened the month at 84.3p per Euro, Sterling fell back for the first three weeks to a low of 85.7p, however, in the last week this softened marginally to a closing rate of 85.5p per € (0.12p weaker). Against the US Dollar, Sterling remained volatile; opening at 74.3p, it climbed to 73.4, then fell back to 74.7p, before climbing more significantly to close the month at 72.9p per \$ (1.4p stronger).
- 2.** The gold price fell overall this month, whilst still retaining the volatility of previous months. Opening at £2,447 per troy ounce, the price rose and fell a number of times, peaking at £2,545 mid-month; however, in the final week the price fell back to a late month average of £2,391 per troy ounce, down £56.

3. Crude oil prices closed the month marginally up overall, after a sharp rise and fall following the US military action in Iran. Brent Crude opened at \$62.78 per barrel and proceeded to climb over the course of a week to a mid-month peak of \$76.86 followed shortly thereafter by a corresponding fall to \$67.77 per barrel, up \$4.99.

## B. Crops

1. The cereals market closed down again at the end of June. The unease in the Middle East, underlined by the US military action in Iran, has brought volatility to global cereals prices and in turn these swings have been accentuated by speculative traders. Delays in the US harvest, alongside dry conditions in Russia, have both added some positivity to the pricing equation, whilst Germany and France have both revised expected yields marginally downwards for 2025 harvest. Feed wheat futures closed marginally down across the board this month, having been £8-10 higher mid-month; by late June, deliveries for November 2025 and 2026 were £177/tonne (-1) and £189/tonne (-1) respectively, whilst March 2027 deliveries were £195/tonne (-1). Oilseed rape prices closed down, but a number of price-positive factors, that could lead to a lift in the market, remain; not least the volatile crude oil price.  
Average spot prices in late June (per tonne ex-farm): feed wheat £159 (-3); milling wheat £179 (+1); feed barley £143 (-9); oilseed rape £401 (-33); feed peas £223 (+11); feed beans £228 (+6).

## C. Livestock

1. The average live-weight cattle prices for steers and heifers fell again this month. The average steer price, from its opening average of 374p/kg lw, dropped to 358p/kg over the course of the month before a late, minor, recovery led to a closing average of 362p/kg lw (down 12p and 88p/kg above the average a year earlier). The average finished heifer price moved in a similar fashion but to a lesser extent, dropping from its opening position of 383p/kg lw to a low of 376p/kg, before a small recovery to a closing average of 379p/kg (down 4p and 98p above the average a year earlier). The average dairy cow price remained volatile, but without the swing seen in previous months; first climbing from its opening position of £1,912 to £2,091 early on, then dropping back to £1,934 and peaking again at £2,095 before closing the month at £2,019 per head (up £107 overall to sit £491 above the prior year average).
2. The average finished lamb price (SQQ liveweight, new season) made strong gains in the opening weeks, before falling during the latter half of the month. Starting from an average of 348p/kg it climbed boldly to peak at 375p/kg but fell sharply soon afterwards to 351p/kg and, after a small bounce, settled to a late June average of 353p/kg (up 5p to sit 1p/kg below the average a year earlier).



3. The average UK standard pig price (SPP deadweight) improved marginally this month, gaining early on, then relaxing in the latter stages. From an opening position of 206.7p/kg dw, it rose to peak at 207.2p/kg before falling back to a closing average of 207.0p/kg (up 0.3p/kg overall, 2.9p/kg below the previous year).
4. The UK all milk price for April, updated and reported in June, reported a fall of 1.18ppl, giving an April average of 43.69ppl – 5.23p above a year earlier and 5.51p above the 5-year rolling average. At the time of writing, the most recently published final EU average farmgate milk price is the March average (45.88ppl, down 0.08ppl from February and 4.98ppl above the average a year earlier).

### Other crop news

1. The 2025 AHDB Planting and Variety Survey has revealed that:
  - Wheat plantings are up 6 per cent on 2024 to 1,623Kha, below the 5-year average.
  - The barley area is down 6 per cent to 1,101Kha with winter barley down 7 per cent and spring barley down 6 per cent.
  - The oats area is expected to be up 13 per cent to 207Kha, the highest since 2020.
  - The oilseed rape area is down 19 per cent to 236Kha, the smallest since 1983 and 32 per cent below the 5-year average.
  - Despite the wheat area being up, the area planted with bread-making varieties is down. Group 1 varieties have fallen from 24 per cent to 19 per cent and Group 2 varieties are down 2 per cent to 17 per cent. Group 4 varieties, which include both hard and soft wheats, now make up 53 per cent of the total wheat area, the highest since 2016.
2. The European DARKWIN project, in which Novagric is a collaborative research partner, is trialling a unique approach to developing more climate-resistant crops through natural plant selection. Instead of artificially selecting plants in the laboratory, the project is allowing bumblebees to make the choice. Bumblebees select the plants with the best traits: greater heat resistance, better water-use efficiency or superior fruit quality.
3. Latest AHDB figures show:
  - Winter wheat is rated 38 per cent good or excellent, well below the 56 per cent at the same time last year.
  - Winter barley is rated 50 per cent good or excellent, down on last year's 69 per cent.
  - Winter oats and winter barley both stand at 55 per cent.
  - Spring barley is rated 52 per cent compared to 71 per cent last year.
  - Springs oats is rated 38 per cent compared to 71 per cent last year.

4. The US Department for Agriculture has estimated the world's wheat ending stocks for 2025/26 at 262.8Mt, 4 per cent lower than the 5-year average. Maize ending stocks are forecast to be 275.2Mt, 9 per cent down on the 5-year average. Soyabean ending stocks are expected to reach 125.3Mt.
5. ADAS has reported that orange wheat blossom midge has been sighted in all English and Welsh Rothamsted Insect Survey Traps with double-figure catches during mid-May in Norfolk, Shropshire, Hereford, Hertfordshire, Devon and Essex.
6. AHDB has released a list of priorities to counter the effects of cabbage stem beetle on oilseed rape crops:
  - Sow early or late to avoid the peak migration period of late August to mid-September.
  - Only sow when there is adequate moisture.
  - Increase space between previous and current crops.
  - Reduce sowing density to create bigger plants.
  - Apply organic manure.
  - Avoid pyrethroids to help beneficial insects.
  - Use companion and intercropping.
  - Create sacrificed crops of brassica.
  - Cultivate oilseed rape stubble after harvest.
7. Valorex, the French partner of Premium Crops, is urging UK farmers to increase winter linseed production to meet surging global demand.
8. The Agricultural Price Index for April shows increases of 32 per cent for oilseed rape and 0.7 per cent for fresh fruit, compared to a year ago, but there were falls of 7.5 per cent for wheat, 10.9 per cent for barley, 44.3 per cent for oats, 36.6 per cent for potatoes, 14.7 per cent for forage plants and 13.3 per cent for fresh vegetables. Compared to March, there were increases of 3.1 per cent for potatoes, 15.4 per cent for oilseed rape, 5.3 per cent for fresh vegetables and 26.7 per cent for fresh fruit but falls of 2.1 per cent for wheat, 0.4 per cent for barley, 4.5 per cent for oats and 0.7 per cent for forage plants.
9. Prices of old stock potatoes have fallen from £300/tonne in February to £75/tonne in June as a result of fears of over- supply. Concerns have been exacerbated by reports that an additional 25,000 hectares have been planted by North-Western European Growers.
10. By the end of 2024, 71 per cent of McCain's worldwide potato growers had reached the onboarding level of its Regenerative Agriculture Framework while 24 per cent had progressed to higher levels.

**11.** Statistics for horticulture for 2024 have been published:

- The value of home-produced vegetables increased by 2.1 per cent, compared to a year earlier, to £2 billions. Volumes increased by 2.3 per cent to 2.4 million tonnes.
- The value of field vegetables increased by 1 per cent to £1.6 billions with a 6.7 per cent increase in the value of protected vegetables to £421 millions.
- The value of fruit increased by 4.5 per cent to £1.1 billions but volumes fell by 0.5 per cent to 579,000 tonnes.
- Fruit grown in the open increased by 5.5 per cent to £1 billion but glasshouse fruit fell by 12 per cent to £52 millions.
- Home production of vegetables accounted for 53 per cent of the total supply while home produced fruit accounted for 15 per cent of the total.
- The brassica area fell by 5 per cent to 20,000 ha but this was compensated by improved yields resulting in an 8.1 per cent value increase to £372 millions.
- The cabbage area fell by 7.4 per cent to 3,474ha but yields increased by 0.2 per cent resulting in values up by 11 per cent to £93 millions.
- Broccoli yields increased by 20 per cent and, although average prices fell by 7.1 per cent, the total crop value increased by 5.7 per cent to £118 millions.
- The cauliflower area fell by 6.2 per cent but yields rose by 29 per cent resulting in an increase in crop value of 6 per cent to £85 millions.
- The carrot area fell by 3.9 per cent but, despite a fall of 8.1 per cent in average prices, the total crop value increased by 1.3 per cent to £219 millions.

**12.** British Sugar has invested £43 millions in steam drying at its Wissington factory with the effect of removing 50,000 tonnes of Scope 1 carbon emissions. A contribution of £7.5 millions was made by the Industrial Energy Transformation Fund.

**13.** LettUs Grow has announced a strategic partnership with HT Verboom, a specialist in horticultural infrastructure and custom benching systems to accelerate the development of Advanced Aeroponics in commercial greenhouses.

**14.** Dutch sustainable packaging innovator, PulpVision, has entered the UK market with its Thermoformed Moulded Fibre Punnets for use with soft fruit, mushrooms, salads and vegetables. The punnets are 100 per cent compostable and recyclable and are made from paper waste.

- 15.** The World Apple and Pear Association has reported that European apple stocks were 1,196,024 tonnes at the beginning of May, down 6.4 per cent on a year earlier. Poland was down 27.8 per cent to 226,000 tonnes, Austria down 57.3 per cent to 16,101 tonnes, the Czech Republic down 73.5 per cent and Belgium by 42.4 per cent. However, stocks in France increased by 13.5 per cent to 225,313 tonnes and Switzerland stocks rose by 71.9 per cent. In the UK, stocks stood at 30,334 tonnes, up 180.9 per cent with over 14,000 tonnes less fruit having moved. European pear stocks were down 18.9 per cent at 96,913 tonnes with Spain down 59.5 per cent, the Netherlands down 17.6 per cent and Belgium down 25.3 per cent. However, UK stocks were up 218.5 per cent at 1,398 tonnes.
- 16.** Bayer has developed new tomato varieties which are reported to provide advanced resistance to tomato brown rugose fruit virus.
- 17.** Scientists at the University of British Columbia have analysed data from winegrowing areas across 5 continents involving over 500 varieties. The study has revealed that growing seasons have increased globally by an average of 100 growing degree days, influencing vine growth and ripening. Europe has experienced the biggest impact with temperatures having risen by 2.5°C since 1980. The ultimate effect is on the taste of wine.
- 18.** Scientists at the Chinese Academy for Agricultural Sciences have identified genes in wild grapes which could overcome the susceptibility of cultural varieties to fungal diseases.
- 19.** A Niab project, funded by Growing Kent & Medway, is growing companion plants between rows of vines to deter pests and attract beneficial insects. Chilosan, a natural plant protection product, will be applied to the crop during the growing season to help boost the health of the soil and control plant diseases present in the vines. Ultimately, the success or otherwise of the project will be dictated by the final quality of the grapes and the wine.
- 20.** Three Choirs, Chase End, Bromesberrow Place, Foxbury Fields, Marlbank and Two Beacons, vineyards in Worcestershire, Herefordshire and Gloucestershire, have collaborated to form The Malvern Hills Vineyards to highlight the area's strength in wine production.

### **Other livestock news**

- 1.** Defra has committed funding of £1 billion to the construction of a new National Biosecurity Centre on the site of the Animal & Plant Health Agency in Weybridge, Surrey.
- 2.** In the period January to March, EU beef production was down 3 per cent, compared to last year, or 56,000 tonnes, mainly in northwestern countries affected by bluetongue. Imports have increased by 11 per cent to 77,000 tonnes with the UK the largest supplier.

3. In the year to March 2025, new herd bovine TB incidents fell by 2 per cent in England with falls of 1 per cent in the High Risk area and 27 per cent in the Low Risk area but an increase of 2 per cent in the Edge area, all compared to a year earlier. There were increases of 17 per cent in Scotland and 2 per cent in Wales. The number of herds not officially TB free fell by 3 per cent in England with falls of 4 per cent in the High Risk area and 10 per cent in the Low Risk area but an increase of 3 per cent in the Edge area. There were increases of 20 per cent in Scotland and 6 per cent in Wales.
4. The National Audit Office has claimed that the Government is not properly prepared for the growing risk from animal diseases and would struggle to cope with a major outbreak. It concluded there are significant gaps in contingency plans for outbreaks and plans for specific diseases have not been updated for the latest findings. The strategy for foot and mouth disease has not been updated since 2011.
5. The World Organisation for Animal Health has downgraded the UK risk rating for BSE to negligible.
6. During May and compared to a year earlier:
  - UK prime cattle slaughterings fell by 4.1 per cent to 178,000 head.
  - Beef and veal production fell by 3.7 per cent to 76,000 tonnes.
  - Sheep slaughterings rose by 10 per cent to 911,000 head.
  - Mutton and lamb production rose by 8.8 per cent to 22,000 tonnes.
  - Pig slaughterings rose by 0.4 per cent to 856,000 head.
  - Pigmeat production rose by 2 per cent to 80,000 tonnes.
7. There have been no further outbreaks of foot-and-mouth disease in Hungary or Slovakia since the last outbreak on 17 April.
8. The Goods Standards Agency has supported the retention of the Small Abattoirs Discount which covers 90 per cent of the charges incurred.
9. Research from Zoetis shows that 75 per cent of UK vets have taken leave during the past year due to work related mental health issues and almost half have considered leaving the sector despite growing demand.
10. During April, 1,344 million litres of milk were available to processors, up 2.9 per cent on March and 0.6 per cent on a year earlier:
  - Liquid milk production rose by 4.8 per cent, compared to March, to 577 million litres.
  - Cheese production rose by 13 per cent to 47,400 tonnes.
  - Butter production rose by 21 per cent to 22,000 tonnes.
  - Milk powder production rose by 6.9 per cent to 12,200 tonnes.



**11.** Changes in milk pricing in June include:

- Sainsbury's has increased its price by 0.06ppl for those on retail aligned contracts.
- Pembrokeshire Creamery has reduced its price by 0.12ppl.
- First Milk Manufacturing has reduced its cheese contract price by 0.50ppl while Belton Cheese has implemented a reduction of 1ppl.

**12.** During May, average butterfat fell by 2.6 per cent, compared to April, and by 0.9 per cent, compared to a year ago, to 4.18 per cent. Average protein rose by 0.8 per cent, compared to April, but was down 0.5 per cent, compared to a year ago, at 3.38 per cent.

**13.** According to an AHDB survey of milk buyers, there were 7,040 GB dairy producers in April, down 160 from last October, and 190 from last April. However, milk volumes per farm have increased by 4 per cent to an average of 1.77 million litres.

**14.** The Agricultural Price Index for April shows increases of 46.1 per cent for cattle and calves, compared to a year ago, 13.6 per cent for milk and 2 per cent for eggs but falls of 3.5 per cent for pigs, 13.8 per cent for sheep and lambs and 11.9 per cent for poultry. Compared to March, there were increases of 3.2 per cent for cattle and calves, 0.8 per cent for pigs and 1.3 per cent for poultry but falls of 2.9 per cent for sheep and lambs and 2.6 per cent for milk.

**15.** Since February, 198 flocks have been tested for toxoplasmosis with most farms having at least one animal testing positive. In 2024, 80 per cent of flocks tested showed exposure while 26 per cent were found to have been exposed to enzootic abortion of ewes. In total, 19.4 per cent of flocks had been exposed to both pathogens.

**16.** Over the course of June, Bulgaria has reported 3 cases of sheep and goat pox while Greece has reported a further 19 outbreaks. Romania has reported 6 outbreaks, the first in the country.

**17.** The Fair Dealing Obligations (Pigs) Regulations have been signed into law. All new supply contracts must be in writing by default with clear terms on pricing, volume and dispute resolution. Changes to terms must be agreed by both parties. There will be a 12-month transition period for existing agreements.

**18.** The Climate Change Committee has suggested that, in order to reach net zero by 2045, as agriculture is the 'main source of residual emissions', the Scottish Government will need to support farmers and rural communities to diversify their incomes 'away from livestock farming.'

**19.** Highly pathogenic avian influenza H5N1 has been confirmed in poultry near Ravensthorpe in West Yorkshire, near Bishop Auckland in Durham, near Wetherby in North Yorkshire and near Wrexham in North Wales.

**20.** During May, with comparisons to May 2024:

- UK commercial layer chick placings fell by 7.1 per cent to 3 million chicks.
- Broiler chick placings rose by 1.8 per cent to 96.9 million chicks.
- Turkey poult placings fell by 13 per cent to 700,000 chicks.
- Turkey slaughterings fell by 22 per cent to 500,000 birds.
- Broiler slaughterings fell by 1.6 per cent to 93.3 million birds.
- Total poultry meat production rose by 1.9 per cent to 163,900 tonnes.

**21.** During 2025, Poland has reported 31 outbreaks of Newcastle disease in poultry, Malta 2 cases and Slovenia and North Macedonia 1 case each.

**22.** Boparan is to take full control of its joint venture poultry farming operation with 2 Sisters.

## **VIII Inputs/Supply businesses**

- 1.** Koppert, the global leader in biological crop protection and pollinators and Amoeba, a greentech specialist specialising in natural microbiological solutions based on the patented use of amoebae, have entered into an agreement focusing on the innovative biological fungicide solution created by Amoeba. The solution is based on the lysate of the amoeba *Willaertia magna* C2c Maky. The biofungicide is environmentally friendly and protects crops against a broad range of diseases.
- 2.** Towards the end of May, natural gas futures were up 5.5p/therm, at 89.1p/therm, compared to the end of April, and 12.4p/therm up on a year ago. In April, UK-produced ammonium nitrate averaged £383/tonne, up £47/tonne on last September and £46/tonne on a year earlier.
- 3.** GB Potatoes has joined Horticulture Crop Protection Ltd, representing seed potato growers in the task of processing Extension of Authorisation for Minor Use and Emergency Authorisation applications for crop protection products.
- 4.** Rootwave has raised \$15 millions to scale its sustainable, chemical-free method of eliminating weeds, including herbicide-resistant varieties, by using electricity.
- 5.** The Scottish Nitrogen Balance Sheet for 2022 has been published:
  - The whole economy Nitrogen Use Efficiencies, (NUE) which show the percentage of useful nitrogen outputs, was 27 per cent.
  - The NUE for food production was 33 per cent with arable being 80 per cent and livestock being 10 per cent.
- 6.** Cefetra Group, the agricultural ingredients supplier, is to be acquired by First Dutch.

## Marketing

1. In 2024, imports of vegetables rose by 3.1 per cent to £3.197 billions while imports of fruit rose by 13 per cent to £4.57 billions. Exports of vegetables grew by 16 per cent to £95 millions while exports of fruit grew by 5.2 per cent to £73 millions.
2. According to Kantar, UK sales of vegetables have increased in value by 8.5 per cent over the past year. The standout performer has been cavolonero or Italian Kale with value sales up 19 per cent. Sales of kale and spinach have risen by 14 per cent and 10 per cent respectively.
3. A survey commissioned by Red Tractor has revealed that 90 per cent of the British population want to see more UK produce on sale in stores. Trust in British food has reached a high of 94 per cent while confidence in US food has fallen to 33 per cent.
4. In the 12 weeks to 18 May, according to Kantar:
  - Beef volume sales fell by 2.4 per cent but the compensation of a 7.7 per cent increase in prices resulted in value growth of 5 per cent.
  - Volume sales included mince, down 1.8 per cent, diced beef down 4.2 per cent and steak down 4 per cent.
  - Processed beef volumes increased by 1.2 per cent, burgers and grills by 0.1 per cent and sliced cooked meats by 4.4 per cent but sausages fell by 6.8 per cent.
  - Marinades fell by 5.1 per cent, sous vide fell by 11.1 per cent and ready to cook by 2.6 per cent.
  - Lamb volumes fell by 8.8 per cent but value sales increased by 4.7 per cent.
  - Primary lamb volumes fell by 11.1 per cent but diced lamb increased by 8.1 per cent, processed lamb by 4.5 per cent and burgers and grills by 6.5 per cent.
  - Lamb sous vide volumes fell by 3.6 per cent and marinades by 4.1 per cent.
  - Pigmeat volumes increased by 0.9 per cent with value sales up 2.4 per cent.
  - Primary cut volumes fell by 3.6 per cent but chops increased by 5.8 per cent, fillet by 2.4 per cent and mince by 2.5 per cent.
  - Processed pig meat volumes increased by 0.5 per cent, gammon volumes rose by 8.9 per cent and sausages by 1.5 per cent.
  - Pigmeat marinades grew by 28.4 per cent, sous vide by 6.3 per cent and ready to cook by 13 per cent.

5. According to NIQ Homescan POD, in the year to 17 May:
  - Cow's milk volume sales fell by 2.4 per cent with value sales down 2.1 per cent. However, whole milk volume sales increased by 2.3 per cent.
  - Cow's cheese recorded volume growth of 3.4 per cent with value up 2.9 per cent. Cheddar recorded a volume increase of 4.3 per cent while regional cheeses fell by 4.1 per cent and processed cheeses by 1.6 per cent.
  - Cow's butter volumes fell by 2.3 per cent but value sales increased by 5.4 per cent. Block butter volumes increased by 6.6 per cent but spreads, which represent 69 per cent of the market, fell by 5.8 per cent.
  - Plant-based spreads recorded a volume increase of 1.4 per cent.
  - Cow's yoghurt, yoghurt drinks and fromage frais volumes increased by 5.8 per cent with value sales up 8.7 per cent. Only volumes of fromage frais fell, down 11.1 per cent. Fat free yoghurt volumes grew by 81 per cent while standard plain yoghurt volumes grew by 23.1 per cent.
  - Cow's cream volumes grew by 1.7 per cent with clotted up 3.1 per cent, double up 4.7 per cent and sour cream up 5.5 per cent.
6. According to Kantar, grocery sales over Easter grew by 4.9 per cent, compared to Easter 2024, to £9.2 billions. Volume sales of red meat fell by 4.7 per cent with lamb down 7.9 per cent, beef down 0.3 per cent and pigmeat down 1.3 per cent. In value terms, red meat sales grew by 0.6 per cent and beef by 8.4 per cent but there were falls of 8 per cent for lamb and 3.1 per cent for pigmeat. Volume sales of lamb roasting joints fell by 5.3 per cent and pork roasting joints by 12.2 per cent but beef roasting joints were up 13.2 per cent. In value terms, there were falls of 7 per cent for lamb and 4.9 per cent for pork but an increase of 9.7 per cent for beef.
7. Veg Power has launched a national marketing campaign, "Attack the Snack", aimed at changing the snacking habits of children aged 6-11 from ultra processed foods to fresh vegetables.
8. Morrisons has been castigated over the trial introduction of Australian beef.
9. British Apples & Pears Ltd has approved seed funding investment for an inward trade mission from Vietnam providing an opportunity to open a new market for British-grown apples.
10. Pilgrims Europe is to introduce a 20-year pig contract.

## Miscellaneous

1. Plaid Cymru has claimed that the changes to Inheritance Tax could have an adverse effect on the Welsh Language. 43 per cent of Welsh farmers are Welsh speakers compared to 19 per cent of the general population. The loss of young farmers who could not afford to farm or stay in rural areas could undermine the future of the language.

2. A report by Grounded entitled ‘What Keeps Farmers Awake at Night?’ reveals the six key areas as being: uncertainty; an erosion of trust owing to withdrawal of support; broken promises; pest management concerns; volatile markets; and cost increases.
3. Data from the National Diet and Nutrition Survey shows the proportion of adults meeting the recommended 5-a-day target has fallen to 27 per cent, down from 33 per cent a year ago and the lowest level on record. Among children aged 11 to 18, average daily portions fell from 3.5 to 2.5, again the lowest level on record.
4. The British Institutes of Agricultural Consultants and the Institute of Agricultural Management have agreed to merge under the name of Society of Agriculture.
5. Latest NFU Mutual figures show that the cost of rural crime fell by 16.5 per cent in 2024 to £44.1 millions. The cost of thefts of quadbikes and all-terrain vehicles fell by 16 per cent to £2.7 millions while total vehicle thefts fell by 35 per cent to £7 millions and GPS units down 71 per cent to £1.2 millions.
6. A Famers Guardian survey of over 2,000 farmers on the issue of regenerative farming has revealed:
  - 85 per cent could identify 6 main principles of regenerative farming with 54 per cent of those citing improving soil and organic matter as the most important.
  - 46 per cent considered that introducing livestock was part of farming regeneratively.
  - Of those who are already taking action, 64 per cent are promoting and improving biodiversity while 66 per cent are building soil organic matter and carbon sequestration. 61 per cent are trying to reduce the use of fertilizer.
  - 43 per cent considered that consumers would not pay for food produced regeneratively.
7. A separate Farmers Guardian survey polled 2,126 adults on the benefits of regenerative agriculture:
  - 56 per cent agreed the policy would benefit the environment, sustainability and the health and quality of soils.
  - 37 per cent had never heard of regenerative agriculture.
  - 37 per cent were prepared to pay more for food produced regeneratively.
8. New grants totalling £13.6 millions have been offered to 12 food charities in England to redistribute an estimated 19,000 tonnes of food directly from farms to fight food poverty in communities.
9. RSABI and the University of Glasgow have launched a 3-year programme focused on suicide prevention in agriculture.



- 10.** According to the 2024 Linewatch Infringement Report, agricultural contractors were responsible for 40 per cent of all pipeline infringements in the year, 10 per cent up on 2023 and the sector's biggest increase in incidents for over 5 years. 26 per cent of incidents where workers were digging too close to underground high pressure fuel pipelines occurred on farmland. UK agriculture was the biggest risk to pipelines for the 8<sup>th</sup> year running. 55 per cent of infringements occurred even though the digger was aware of the underground pipeline.
- 11.** The Royal Agricultural University has been awarded funding of £500,000 by Defra to conduct research into arable soil pollution following the invasion of Russia into Ukraine.
- 12.** 92 per cent of NFU Mutual agents believe rural crime is disrupting farming activities while 86 per cent knew farmers who had been repeat victims. 96 per cent of those surveyed considered that rural crime was adversely affecting farmers' wellbeing.
- 13.** The Oxford Farming Conference is inviting applications for three new directors.
- 14.** The Estate Staff Salary Survey, published by Knight Frank, has revealed that 87 per cent of rural estates are finding it harder to attract good staff while 60 per cent have admitted that staff retention is becoming more difficult.
- 15.** Awards in the King's Birthday Honours List include Hugh Crabtree for services to the pig industry.
- 16.** Lister Shearing Equipment has completed a management buyout from its US parent company Wahl.

## Obituary

### **Colina Humphrey**

Chavereys is sad to report the death of Colina Humphrey at the end of May at her Farm in Kilbryde, Scotland.

Colina was appointed a partner when Chavereys was formed in 1998, indeed her surname formed part of the name of the new firm. Colina retired as a partner when her husband, Jonathan, was called back to the family business, Humphrey Farms Ltd, in Twyford.

Following the passing of her father, Colina took on the family farm at Kilbryde, near Dunblane, where she was born and where she and Jonathan were married. For some time Colina would tend her sheep during the week and drive back to the family home near Romsey for the weekend. Many a time the editor of the MFU would keep Colina company, over the telephone, during her drive.

In due course, Jonathan and the children, Jamie and Emily, upped sticks and relocated to Kilbryde to help tend over 1,000 ewes.

In 2024, Colina featured on the front cover of the Farmers Guardian, highlighting the benefits of rotational feeding. She was a modern-day farmer with an insatiable desire for knowledge. Her pet hate was 'split infinitives', constantly criticising the editor who, to this day, still wishes to fully understand them (!)

Colina was loved by all who got the chance to know her.

She will be sorely missed by so many and our heartfelt condolences go to Jonathan, Jamie and Emily.

## Ms Reeves – other sectors warrant your attention, not farming!

It is a well-known fact that all MFU readers pay their correct tax liability and make a full disclosure on their annual Tax Returns. Sadly, that is not always the case.

The latest tax gap, for 2023/24, published by HM Revenue & Customs, stands at £46.8 billions or 5.3 per cent of the total tax take. The tax gap is an estimate of what HMRC actually receives compared to what it believes it should receive.

The gap has fallen from 5.6 per cent in 2022/23 but, it should be noted, the first estimate of the 2022/23 gap was 4.8 per cent. Back in 2005/06, the gap was 7.4 per cent.

The main culprit is Corporation Tax. In 2023/24, the gap was 15.8 per cent with a value of £18.6 billions, of which £14.7 billions related to small businesses.

The total gap is shared as to 60 per cent by small businesses, 9 per cent by mid-sized businesses, 12 per cent by large businesses, 5 per cent by individuals, 5 per cent by wealthy individuals and 9 per cent by criminals.

By behaviour, failure to take reasonable care accounts for 31 per cent, criminality 28 per cent, legal interpretation 12 per cent, non-payment 12 per cent, error 15 per cent and avoidance 1 per cent.

The National Audit Office has recently stated that HMRC may have underestimated the level of non-compliance among wealthy individuals but, even if this was the case, increased attention should be given to small and medium sized enterprises.

Just imagine if the tax gap ceased to exist, Ms Reeves could reverse the Inheritance Tax changes just as the Government seems to be doing with all other financial changes it has introduced!!

# 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:

**Karen Blackiston, Nick Holmes, Iain Morris, Ben Wilkinson**

Chavereys Limited  
The Goods Shed Jubilee Way Faversham Kent ME13 8GD

**Tel:** 01795 594495

**Fax:** 01795 594499

**E-mail:** [mfu@chavereys.co.uk](mailto:mfu@chavereys.co.uk)

[www.chavereys.co.uk](http://www.chavereys.co.uk)

If you would like to add a friend or colleague's name to the mailing list  
please contact Lindsay Glead.

The MFU was edited from 1991 to 2006 by John Nix, Emeritus Professor of  
Farm Business Management at Imperial College London.



## CHAVEREYS

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