CHAVEREYS

CHARTERED ACCOUNTANTS & FINANCIAL ALCHEMISTS

Monthly Farming Update

October 2025

Policy issues

1. Emma Reynolds has replaced Steve Reed as Defra Secretary. She is the MP for Wycombe and, previously for Wolverhampton North East. Hardly farming constituencies. For a brief period this year she was Economic Secretary and City Minister so has been a party to the downturn in the UK economy. She has held posts in schools, human trafficking, the police, mental health, foreign affairs, Europe, housing and local government. She is a firm believer the UK should be in the European Union and campaigned against Brexit. It would appear that her appointment is a further example of the disregard this government has for farming. Read on.

2. Dame Anna Eagle has replaced David Zeichner as Minister of State for Food Security and Rural Affairs. In over 30 years in the House of Commons, Hansard has only recorded three comments made by her on the subject of farming:
   - In 2008, on the matter of an increase in Vehicle Excise Duty 'Agricultural vehicles are exempt, and there is, of course, the red diesel concession for those who use vehicles for farming. We understand and are considering the issues for those who live in rural areas.'
   - In 2021, on the subject of the Autumn Budget '… the fact that the Government did not prepare for the trade disruption caused by their hard-line Brexit deal, which threw fishing, farming and peace in Northern Ireland to the wolves …'
   - In 2022, on the matter of changes to the system of payments to farmers, 'I cannot say that I am an expert on all things agricultural or farming'.

3. The Government has dismissed calls from the Environment, Food and Rural Affairs Committee to delay its Inheritance Tax reforms until April 2027.

4. How low can the Government stoop? While the Prime Minister stated at Prime Minister's Questions he would 'work with' young farmers, on the same day it was reported by the Shadow Minister for Environment, Food and Rural Affairs that Defra has ended its grant funding for the National Federation of Young Farmers' Clubs after 30 years of support. The NFYFC confirmed it had been told in July that discretionary funding would not be renewed. Defra has claimed that a decision on funding has not yet been made.

5. The Environment, Food and Rural Affairs Committee has published 'UK-EU Trade: Towards a Resilient Border Strategy'. The report finds that the UK's commercial animal and plant imports system is 'inadequate' and that 'Defra has no effective system of oversight for biosecurity border controls'. The report warns: 'This failure has presented, and continues to present, real threats to the biosecurity of British animals and plants and the viability of our agricultural and horticultural sectors.'

6. Freshfel, the European Fresh Produce Association, has expressed concern about the proposed EU-US trade deal claiming that imports of US fruit and vegetables into the EU are tariff free whereas EU exports to the US face tariffs of 15 per cent. It also claims that there is no requirement for the US to review long-standing sanitary and phytosanitary measures that have blocked or limited EU exports.
7. The European Commission has approved its trade agreement with the Mercosur bloc of countries.
8. Alan Laidlaw, previously CEO of rural portfolio of The Crown Estate, has been appointed Commissioner for the Tenant Farming Sector.

Reform

1. An NFU Freedom of Information Request to Defra has revealed that 5,280 Countryside Stewardship agreements will end on 31 December with no pathway forward as the current Sustainable Farming Incentive scheme has closed to new applications and the Countryside Stewardship Higher-Tier option is only available for pre-application to a select group of farmers.
2. The Wildlife and Conservation Trust has expressed concern that only 6 per cent of UK land is currently conserved and managed for nature compared to the Government's aim the figure should be 30 per cent by 2030.

Grants/regulations/legislation/environment

1. According to the Environment Agency, despite recent rainfall, reservoir levels continue to fall and are now 56.1 per cent full across England compared to the average of 82.8 per cent at this time of year. In the Pennines, reservoir levels are 29 per cent and in Yorkshire 30.3 per cent.
2. Defra has announced that £7.8 millions is to be available to small Research and Development Partnerships for later stage projects to help develop new farming products or services and move them closer to market. In addition, up to £4.8 millions is to be available, with effect from 13 October, for feasibility studies.
3. With effect from 30 September, the ban on burning vegetation on deep peat has been extended from the existing 222,000 hectares to 676,628 hectares.
4. The latest Indicators of species abundance in England has been published. This shows that, over the long-term, covering 1970 to 2023, both All-species and Priority species have deteriorated although over the period 2013 to 2023 there has been little change. Moths have shown the greatest decline, down to only 55 per cent of 1970 numbers, freshwater invertebrates, mammals and vascular plants have all increased while bumblebees and fish have shown little change.

5. James Hutton Limited, the commercial arm of the James Hutton Institute, has been awarded £38,881 from the Scottish Government's Ecosystem Fund to progress a clima-tech and agri-tech innovation campus at its Invergowrie site.
6. Applications have now closed for the second phase of the Low Ground Venison Supply Chain Pilot Project in Scotland which offers financial support for carcase handling facilities enabling deerstalkers to cull more lowland deer and increase throughput.
7. During September, there have been confirmed sightings of Asian Hornets in Church Hougham, Kent; Runcorn, Cheshire; Caple le Ferne, Kent; Udimore, East Sussex; Adisham, Kent; and Ospringe, Kent.

Other matters of farm finance and tenure

1. Details have been published of Total Income from Farming in 2024 in the English regions:
    - In order of TIFF, the South West was £1,055m; the East £881m; East Midlands £789m; West Midlands £725m; South East £605m; Yorkshire and the Humber £582m; North West £496m; and North East £204m.
    - In terms of percentage, North West grew by 63.4 per cent; South West by 31.5 per cent; West Midlands by 30.4 per cent; Yorkshire and the Humber by 29.6 per cent; North East by 28.3 per cent; South East by 14.1 per cent; East Midlands by 11.1 per cent; and the East by 3.6 per cent.
    - In terms of TIFF per hectare, West Midlands was £778/ha; East Midlands £656/ha; the East £631/ha; South West £589/ha; South East £531/ha; North West £527/ha; Yorkshire and the Humber £522/ha; and North East £338/ha.
2. Defra has published details of the estimated land use in England as at 1 June:
    - The Utilised Agricultural Area is 8.8 million hectares, 68 per cent of the total area of England.
    - The total croppable area accounts for 56 per cent of the total while permanent pasture accounts for 39 per cent.
    - The area of arable crops has fallen by 1.6 per cent to 3.4 million hectares.
    - The area of uncropped arable land fell by 6.2 per cent to 545,000 hectares of which 101,000 hectares were fallow while 444,000 hectares were used for environmental benefit.
    - The wheat area increased by 8.8 per cent to 1.5 million hectares, slightly up on the 5-year average.
    - The barley area fell by 13 per cent to 742,000 hectares with winter barley down 7.2 per cent to 302,000 hectares and spring barley down 18 per cent to 439,000 hectares.
    - The area down to potatoes increased by 7.7 per cent to 90,000 hectares.
    - The area of horticultural crops increased by 3.9 per cent to 117,000 hectares.

3. The Farming and Countryside Programme annual report for 2024/25 has been published. Highlights include:
   - Capital grants have been made funding 7,638km of sheep netting; 1,062km of new hedges; 1,338,720 trees; and 26km of machinery and livestock hardcore tracks.
   - 32,600 farms were in the Sustainable Farming Initiative; 885 hectares of arable land were being farmed without the use of insecticides; 330,000 hectares of low input grassland was managed sustainably; and 85,000km of hedgerows were protected and restored.
   - Slurry Management Grants totalling £10 millions were paid.
   - The Internal Drainage Boards Fund delivered 200 projects with 200,000 homes and businesses benefiting from improved flood and land drainage assets; asset, watercourse and flood embankment works have benefited 400,000 hectares of agricultural land; and flood defence and water level management asset life has been extended by an average of 27 years avoiding the impact of flooding costs of £10 billions.
4. A report published by Science for Sustainable Agriculture entitled UK Food Security – Outlook to 2050 claims that up to 23 per cent of land currently farmed could be lost to housing, solar infrastructure, tree planting and carbon offsetting. Without an increase in productivity this could result in a 32 per cent fall in domestic food production. Over the past 25 years, the UK has lost 771,000 hectares of agricultural land, 4.4 per cent of the agricultural area.
5. A crowdfunding campaign has been launched to finance a judicial review of the changes to Inheritance Tax. It can be supported on crowdjustice.com/case/family-business-farms-at-risk.
6. Details of the agricultural land ownership and tenure in England as at 1 June have been published:
   - 6.1 million hectares were owned and 2.9 million hectares rented under agreements of 1 year or more.
   - Of the rented area, 1.1 million hectares were under Full Agricultural Tenancy Agreements, 1.3 million hectares were under Farm Business Tenancies and 468,000 hectares under other agreements.
   - 587,000 hectares were rented seasonally.
   - 54 per cent of farms were solely owned, accounting for 37 per cent of the agricultural area.
   - 14 per cent of farms were wholly tenanted, accounting for 14 per cent of the agricultural area.
   - 31 per cent of farms were of mixed tenure, accounting for 48 per cent of the agricultural area.

7. The Agricultural Price Index for July for outputs fell by 0.1 per cent, compared to June, but was up by 0.9 per cent compared to a year earlier. The index for inputs increased by 0.1 per cent and 0.3 per cent respectively.
8. The Law Commission is to review agricultural tenancy legislation.
9. According to Dover District Council, over 10 tonnes of illegal meat was intercepted in the first two weeks of September.
10. The Chairman of the UK's largest chicken supplier, Richard Pennycock of 2Sisters, has claimed that Labour's tax raid on farms is pushing thousands of British farms to financial ruin. He has suggested that the decision to slash Inheritance Tax relief for family farms meant many would simply 'give up' on agriculture because it was no longer economical. 2Sisters is responsible for one in every three poultry products eaten in Britain.
11. Soft fruit and stone fruit grower Haygrove has lost its appeal against Herefordshire County Council's decision to refuse planning consent for the installation of polytunnels and workers caravans on two fields adjacent to the five which are already in use for covered fruit.

Product prices

A. Market background

1. Sterling closed down against the Euro and marginally down against the US Dollar this month. Having opened the month at 86.5p per Euro, Sterling rose to a high of 86.3p, before falling, with added volatility, to close at 87.3p per € (0.8p weaker). Against the US Dollar, Sterling opened at 74.0p, fell to 74.8p, climbed to peak at 73.1p and fell back to 75.0p before closing the month at 74.4p per $ (0.4p weaker).
2. The gold price made further material gains this month, re-setting its all-time high. Opening at £2,557 per troy ounce, the price climbed throughout to peak at £2,884 before a small relaxation on the last day to close at £2,875 per troy ounce, up £318.
3. Crude oil prices closed down overall, having been volatile (low range) throughout. Brent Crude opened at $67.48 per barrel and peaked above $69 on three occasions having been as low as 65.50, before falling in the final days to close the month at $66.03 per barrel, down $1.45.

B. Crops

1. The cereals market closed marginally up, despite the increase in Russia's 2025 harvest forecasts and the increased EU forecast for 2026, predominantly as a result of Sterling's relative weakness and the lower-than-anticipated Ukrainian exports and following the recent reports of a poor EU maize crop and low US maize stocks. Feed wheat futures closed down across the board, having tailed off over the course of the month; by late September, deliveries for November 2025, 2026, and 2027 were £167/tonne (-2), £182/tonne (-3) and £189/tonne (-3) respectively. Oilseed rape prices closed marginally up on the back of improved crude oil prices, but strong pressure remains in the global market from an abundance of soya in South America.

   Average spot prices in late August (per tonne ex-farm): feed wheat £162 (+2); milling wheat £178 (-2); feed barley £144 (+4); oilseed rape £399 (+7); feed peas £223 (+1); feed beans £215 (+1).

C. Livestock

1. The average live-weight cattle prices for steers and heifers both fell this month. The average steer price, from its opening average of 363p/kg lw, dropped to 357p/kg early on, then recovered to 363p/kg before falling again to close at 354p/kg lw (down 9p and sitting 65p/kg above the average a year earlier). The average finished heifer price fell from its opening position of 381p/kg lw to a low of 375p/kg, before climbing back to 382p/kg and falling again to close down overall at 371p/kg (down 10p and 88p above the average a year earlier). The average dairy cow price remained volatile and, having been lower for most of the month, closed marginally up overall. From an opening position of £1,961 it dropped to a low of £1,706 before recovering to reach a closing average of £1,996 per head (up £35 overall to sit £463 above the prior year average).
2. The average finished lamb price (SQQ liveweight, new season) fell back in the first half of the month, before recovering in the latter half to close where it began. Starting from an average of 310p/kg, it had fallen to 297p/kg by mid-month but recovered thereafter to close at an average of 310p/kg (static, sitting 23p/kg above the average a year earlier).
3. The average UK standard pig price (SPP deadweight) weakened over the course of the month. From an opening position of 207.9p/kg dw, it fell back to 206.6p/kg, before a small rise to close at 206.7p/kg (down 1.2p/kg overall, 2.3p/kg below the previous year).
4. The UK all milk prices for June and July, reported in late September recorded increases of 0.04ppl to 43.23ppl and 0.80ppl to 44.03ppl respectively; July sat 3.96ppl above a year earlier. The initial estimates for August are a significant rise in price of over 1.5ppl. The EU average farmgate milk prices for July reported a rise of 0.75ppl, to 47.04ppl, 6.62ppl above the average a year earlier.

Other crop news

1. The EU Commission has raised its forecast for the EU soft wheat harvest to 132.6Mt, a 10-year high.
2. Russia has increased its wheat export duty to 6/t from 17 September.
3. Information has been released on bioenergy crops:
    - In 2023, 133,000 hectares in the UK were used to grow crops for bioenergy, 2.2 per cent of all arable land.
    - In 2023, 36 per cent of land used for bioenergy was for biodiesel and bioethanol for the UK road transport market with the remainder for heat and power production.
    - In 2023, 153 million litres of biofuel was produced, down from 190 million litres in 2022.
    - In 2022, 6.7 million tonnes oil equivalent of plant biomass were used to produce electricity and heat.
    - 45,000 hectares of wheat and 2,600 hectares of sugar beet were used for biofuel production, 73,000 hectares of maize were used in anaerobic digestion and 8,800 hectares of miscanthus and 3,800 hectares of short rotation coppice were used in biomass.
4. The Agricultural Price Index for July shows increases of 2.5 per cent for oilseed rape, compared to a year earlier, but falls of 12 per cent for wheat, 18.1 per cent for barley, 44.7 per cent for oats, 46 per cent for potatoes, 16.1 per cent for forage plants, 18.5 per cent for fresh vegetables and 12.3 per cent for fresh fruit. Compared to June, there were increases of 1.3 per cent for wheat, 106.6 per cent for potatoes and 4.6 per cent for forage plants but falls of 6.1 per cent for barley, 3.3 per cent for oats, 4.9 per cent for oilseed rape, 9.8 per cent for fresh vegetables and 5.2 per cent for fresh fruit.
5. The North-Western European Potato Growers group has warned that, as a result of growers in Belgium, Germany, France and the Netherlands having increased the planting area by 7 per cent to 608,000 hectares, a record potato harvest of 27.3 million tonnes is expected, up 11 per cent on last season.
6. Scottish vegetable grower ESG Drysdale has reported that the warm summer has accelerated the maturity of crops and reduced yields with brassicas particularly affected.
7. Source, a Dutch innovator in AI-powered horticulture solutions, has launched Plant Balance Metrics, designed to provide growers with clarity into the physiological state of their crops. The metrics will enable growers to move from reactive adjustments to proactive, data-driven steering.
8. Dutch grower The Flavour Farm, owned by UK agricultural investment firm Cibus, is to acquire tomato specialist RedStar.

9. Thatchers, the Somerset cidermaker, has commenced the earliest harvest in its history, picking applies from their 550 acres of orchards before the end of August. Due to the hot summer, the applies are reported to be 'packed full of flavour, rich with sugars and deep, full-bodied tannins'.
10. Niab and Nanjing Agricultural University in China have developed OrchardQuant 3D, a method of measuring fruit in three dimensions with unprecedented accuracy using drone cameras and light detection and ranging. The system creates a 3D model of each tree in an orchard showing tree height, crown volume, branch structure and blossom density, traits that underpin fruit yield and quality.
11. BerryWorld Plus has launched BerryWorld Orb, the UK's first-ever home-bred blueberry. It won the 'Tastiest Blueberry' at this year's National Cherry and Soft Fruit Show.

Other livestock news

1. An update to the Godfrey bovine TB Evidence Review has been published. The main points are:
   - The evidence is that the presence of infected badgers does affect cattle herds and, given the Government's decision to end culling by 2029, it is important to develop non-lethal interventions to enable eradication.
   - The poor take up of on-farm biosecurity measures and the extent of trading in high-risk cattle is severely hampering disease control measures.
   - There is only a small chance of meeting set targets without a step change in the urgency with which the issue is treated and the resources devoted to eradication.
   - The lack of investment in Defra, the Animal and Plant Health Authority and relevant local authorities is hampering advances in control and it endorsed the recent National Audit Office report that 'Defra has struggled to quantify and monetarise the benefit from investment to strengthen resilience to animal disease. referring to bovine TB.
   - The disease is not receiving the management attention required to achieve the target of eradication by 2038.
   - Great emphasis is placed on facilitating farmers to manage out infections in their herds in ways that do not impose unmanageable business interruptions and financial burdens.
   - The deployment of a full vaccination programme across the High Risk and Edge areas in England would be one of the largest livestock epidemiological interventions that the country has ever attempted but the Government should ensure that the assessment of such a strategy is occurring at scale and on time for planned employment.
   - Proper implementation of the Livestock Information Transmission Programme is essential, the progress on this has been disappointing.

2. An independent panel commissioned by Defra has reported that a major step change in the pace and scale of vaccinations, as well as a move away from the politicisation of bovine TB, is critical if the disease is to be eradicated.
3. Data on bovine TB to June has been published, with comparisons a year earlier:
    - The number of new herd incidents fell by 1 per cent in England with falls of 1 per cent in the High Risk area and 3 per cent in the Low Risk area but an increase of 2 per cent in the Edge area. There was an increase of 2 per cent in Wales.
    - There was a fall of 1 per cent in England in the number of herds not officially TB free due to a bovine TB incident with falls of 3 per cent in the High Risk area and 8 per cent in the Low Risk area but an increase of 4 per cent in the Edge area.
    - There were increases of 11 per cent in Scotland and 1 per cent in Wales.
4. During September, there have been bluetongue cases in cattle and sheep in East Sussex, Kent, Devon, Cornwall, Lancashire, Derbyshire, Cheshire, Oxfordshire, West Yorkshire, Leicestershire, Shropshire, Greater Manchester and Staffordshire. The first cases have occurred in Wales, one in Powys and another in Monmouthshire.
5. A Farmers Guardian survey of 158 farmers has found that, while 82 per cent have not been affected by bluetongue, 58 per cent had not yet vaccinated their stock while 23 per cent did not believe vaccination was necessary.
6. New bluetongue rules have come into force in Wales and Scotland. In Wales, animals that have completed a primary vaccination programme and show no signs of illness can move into Wales without a pre-movement test. Slaughterhouses will no longer need to be designated. In Scotland, a general licence will apply to moves from a BTV-3 restricted zone in England to Scotland and it will no longer be necessary to make individual applications to the Animal and Plant Health Agency.
7. Scientists at the Royal Veterinary College along with those at the University of Veterinary Medicine and the University of Natural Resources and Life Sciences, both in Vienna, have developed a laboratory-made vaccine to protect livestock against barber's pole worm, a highly damaging gastrointestinal parasite mainly found in sheep and goats.
8. The Agricultural Price Index for July shows increases of 37 per cent for cattle and calves, compared to a year earlier, 13.9 per cent for sheep and lambs, 10.8 per cent for milk and 1.6 per cent for eggs but a fall of 1.6 per cent for pigs. Compared to June, there were increases of 1.4 per cent for cattle and calves, 0.1 per cent for pigs and 1.9 per cent for milk but a fall of 0.2 per cent for sheep and lambs.

9. The AHDB Farmbench tool for 2023/24 shows improved performance in cattle finishing enterprises with an average profit of £14 per head achieved compared to a loss of £15 per head in 2022/23:

- The top 25 per cent of herds achieved a profit of £173 per head, down 5.2 per cent due to lower carcase weights.
- The middle 50 per cent achieved a profit of £17 per head, an improvement of 118.9 per cent.
- The bottom 25 per cent incurred a loss of £160 per head, 61.8 per cent less than in 2022/23 with production costs reaching £1,927 per head, the highest of all groups.

10. During August, with comparisons to a year earlier:

- UK prime cattle slaughterings fell by 7.3 per cent to 153,000 head.
- Beef and veal production fell by 6.5 per cent to 68,000 tonnes.
- Sheep slaughterings fell by 7.3 per cent to 868,000 head.
- Mutton and lamb production fell by 6.6 per cent to 20,000 tonnes.
- Pig slaughterings fell by 5.4 per cent to 825,000 head.
- Pigmeat production fell by 5.6 per cent to 76,000 tonnes.

11. A report published by the Economic, Trade and Rural Affairs Committee has stated that decisive action is required following months of internal turmoil and leadership challenges at Hybu Cig Cymru, the Welsh red meat levy body. The committee has recommended an overhaul of structure and governance; financial sustainability; greater transparency around performance and accountability to ensure value for money; increased stakeholder engagement with farmers, processors and auctioneers; and a rise in promotion and impact.

12. AHDB has analysed the background behind the top performing 15 per cent suckler herds:

- Herd size on average was 160 cows but herds as small as 30 cows featured.
- All calved at 24 months apart from one at 28 months.
- All herds were spring calving apart from one herd which was 30 per cent autumn calving and 70 per cent spring calving.
- There was a focus on managing herd fertility and calving efficiency.
- The calving period was only 11 weeks on average resulting in easier calf management.
- At least 75 per cent of cows calved in the first 6 weeks.
- Reared calves make a weight gain of 1.26kg/day producing a weaned calf at 317kg, 42kg heavier than the remaining 85 per cent.
- Top herds achieved a market price more than 8p/kg above the remaining 85 per cent.
- The top herds achieved a profit with an income of between £550 to £1,200 per cow put to the bull, the remainder made a loss.
- Principal cost savings were in overheads rather than direct costs.

13. Arla has reduced its price by 0.87ppl for conventional milk to 47ppl.

14. During August, average butterfat increased by 1.3 per cent, compared to July, and by 1 per cent compared to a year earlier, to 4.21 per cent. Average protein increased by 1.5 per cent and 1.4 per cent respectively to 3.42 per cent.

15. First Milk has reduced its price for a standard manufacturing litre by 1ppl to 43.85ppl.

16. During July, with comparisons to June and a year earlier:

- UK milk available to processors fell by 2 per cent/increased by 0.5 per cent to 1,269 million litres
- Liquid milk production fell by 3.8 per cent and 0.1 per cent respectively to 505 million litres.
- Cheese production fell by 2.7 per cent/increased by 0.3 per cent to 43,900 tonnes.
- Butter production fell by 18 per cent/increased by 1 per cent to 15,900 tonnes.

17. Freshways has increased its price by 2ppl to 42ppl.

18. British Cattle Movement Society figures as at 1 July show the British milking herd to be 1.6 million head, down 0.6 per cent on a year earlier. Data shows:

- The average age of a cow is 4.57 years, a little above a year earlier.
- Heifers aged 2-4 years fell by 19,000 head.
- Heifers aged under 2 years fell by 16,000 head.
- Cows aged 4-6 years increased by 15,000 head
- Cows aged 6-8 years increased by 1,000 head.
- Cows aged over 8 years fell by 7,000 head.

19. Over 50 farms from across the UK have been appointed to the UK Dairy Carbon Network, a project led by the Agri-Food and Biosciences Institute to show that reducing emissions can improve farm efficiency and productivity.

20. Duncan Berkshire has been appointed the Chair of the Pig Health and Welfare Council.

21. During August, with comparison to a year earlier:

- UK commercial layer chick placings fell by 4.2 per cent to 3.2 million chicks.
- Broiler chick placings fell by 1.5 per cent to 97.5 million chicks.
- Turkey poult placings fell by 39 per cent to 600,000 chicks.
- Turkey slaughterings rose by 1.5 per cent to 600,000 birds.
- Broiler slaughterings fell by 1.6 per cent to 92.6 million birds.
- Total poultry meat production rose by 0.8 per cent to 163,700 tonnes.

22. During September, there has been a case of HPAI H5N1 avian influenza in commercial poultry in Cumbria.

23. The Scottish Government has committed £309,600 in 2025/26 to a research project which aims to eradicate Porcine Reproductive and Respiratory Syndrome.

VIII Inputs/Supply businesses

1. The UK and Brazil have agreed a memorandum of understanding to seek ways to make fertilizer production more sustainable and efficient. There will be increased collaboration on research and innovation, boosting supply chain resilience and sharing best practice.
2. The Health and Safety Executive has published new guidelines for emergency authorisation of pesticides to ensure any applications must take full account of the risks to pollinators in their use.
3. The Agricultural Price Index for July shows falls of 1.3 per cent for seeds, 3.2 per cent for energy and lubricants, 14.1 per cent for chemicals, 4.8 per cent for animal feedingstuffs and 1.5 per cent for buildings maintenance but there were increases of 17.2 per cent for fertilizers, 7.1 per cent for veterinary services and 7.3 per cent for equipment maintenance. Compared to June, there were falls of 0.1 per cent for seeds and 0.9 per cent for animal feedingstuffs but increases of 0.4 per cent for energy and lubricants, 1.7 per cent for fertilizers and 0.2 per cent for equipment maintenance.
4. SugaROx, a UK developer of precision biostimulants, has received a £400,000 investment from The Mosiac Company, a global fertilizer company along with £600,000 from existing backers, Future Planet Capital and Regenerate Ventures. Previously the company had received £2.4 millions from Innovate UK to upscale manufacturing of Trehalose-6-Phosphate which boosts the yields of crops by inhibiting SnRK1, an enzyme that signals energy scarcity in the plant.
5. BioFirst Group has launched BioWorks on to the European market with biopesticides and biostimulants.
6. Organic Research Centre, the UK's foremost research authority on organic farming and low-input farming practices, has become part of the consultancy firm RSK ADAS Limited.

Marketing

1. According to the Office for National Statistics, food price inflation grew by 5.1 per cent in the 12 months to August, the highest for 19 months.
2. In the first 6 months of the year, dairy exports increased by 2.5 per cent by volume to 688,800 tonnes while value increased by 20 per cent to £1.1 billions. Details include:
    - Milk powder volumes increased by 28.3 per cent, or 15,800 tonnes, mostly to non-EU countries.

- Volumes of whey and whey products increased by 26.6 per cent, or 7,700 tonnes, mainly to the EU.
- Volumes of butter increased by 9.5 per cent, or 2,100 tonnes.
- Volumes of yoghurt fell by 16 per cent, or 3,900 tonnes; milk and cream by 0.9 per cent, or 3,800 tonnes; and cheese by 0.7 per cent or 700 tonnes.

3. Waitrose has committed to 100 per cent free-range own-label British pork by 2027 while, from mid-October, all pork mince, steaks, chops and joints will be free-range.

4. On the subject of beef retail, Worldpanel by Numerator UK has reported:

   - In the 12 weeks to 10 August, average price per volume increased by 15 per cent, compared to a year earlier resulting in volume sales falling by 7.5 per cent.
   - Shares of volumes sold on promotion fell by 5.6 per cent.
   - Volume sales of frozen burgers increased by 8.8 per cent whereas chilled volumes fell by 12.9 per cent, the average price differential being £1.90 per kg.
   - The average price of mince has increased by 26.3 per cent resulting in a fall in volume sales of 6.5 per cent.
   - The average price of beef steak has risen by 23 per cent with volumes sales down by 12.8 per cent.
   - Roasting joints saw price increases of 15.6 per cent resulting in a fall in volume sales of 25.7 per cent.

5. A report by the Environment, Food and Rural Affairs select committee has found that potentially dangerous meat and dairy products were being smuggled into the UK. The volume of meat confiscated at the border totalled 235,000 kg in 2024.

6. Covering the year to 15 June, Worldpanel by Numerator UK has reported:

   - While total value sales of pigmeat have fallen by 0.5 per cent, those of outdoor-bred pigmeat have increased by 10.7 per cent, premium pigmeat by 6.7 per cent and organic pigmeat by 15.2 per cent.
   - Volume change has been down 0.9 per cent for all pigmeat, up 12.2 per cent for outdoor-bred and up 8.3 per cent for premium.
   - The average price for all pigmeat has been £7.38/kg, £10.57/kg for outdoor-bred, £9.21/kg for premium and £15.64/kg for organic.

7. In the first 6 months of the year, import volumes of dairy produce increased by 4.6 per cent, or 27,000 tonnes, mainly due to imports from the EU, but imports from New Zealand grew by 81.2 per cent, or 5,900 tonnes. Cheese imports grew by 5.3 per cent, or 11,600 tonnes; yoghurt by 3.7 per cent, or 5,600 tonnes; whey and whey products by 7.3 per cent, or 2,900 tonnes; butter by 9.2 per cent, or 2,800 tonnes; and milk and cream by 1 per cent, or 1,300 tonnes. In value terms, cheese and curd imports totalled £1.1 billions and yoghurts £265 millions.
8. British Apples & Pears Ltd has announced that Tesco is the BAPL British Apple Retailer of the Year. In the year to August, Tesco sold 34,043 tonnes of British dessert apples, ahead of Aldi which sold 30,130 tonnes. Asda received the award for the best year-on-year performance which doubled its sales from 5,555 tonnes to 11,427 tonnes. Relative to the grocery market share, Asda sold 20.2 per cent of British apples compared to its market share of 10.8 per cent; Lidl sold 14.4 per cent compared to 8.3 per cent; Sainsbury's was 17 per cent v 15 per cent; M&S 5.2 per cent v 3.9 per cent; and Waitrose 4.6 per cent v 4.4 per cent. However, some multiples fell short of their market share with Tesco 5.5 per cent short, Morrisons 4.9 per cent short and Asda 4.1 per cent short.

Miscellaneous

1. The NFU's latest Farmer Favourability Survey has ranked farmers and growers as second only to nurses as the most respected profession in the eyes of the public. The survey also revealed:
   - 92 per cent of people consider it is important Britain has a productive farming sector.
   - 89 per cent believe British farms should grow as much food as possible to support national food security.
   - Over 75 per cent trust British food more than imported produce.
2. Details of the estimated agricultural workforce in England as at 1 June have been published:
   - The total number of people working on agricultural holdings was 279,000, down 1.9 per cent on 2024.
   - Farmers, business partners, directors and spouses account for 60 per cent of the total but were down 3.1 per cent at 168,000 people.
   - Salaried managers increased by 1.1 per cent to 12,000 people, mainly due to an increase in part time managers as the number of those working full time fell.
   - Regular workers fell by 1.1 per cent to 65,000 people while casual workers increased by 1.9 per cent to 35,000 people.
   - 40 per cent of principal farmers were aged over 65 years while only 15 per cent were aged under 45 years.

3. A study carried out by the University of Lancaster as part of the Rural Racism Project has disputed claims of rural England as 'peaceful, neutral and apolitical' and claims that minoritised individuals have experienced racial slurs and micro-aggressions as well as threats of violence and isolation.

4. Statistics have been published on energy, health and wellbeing and housing in Rural England in 2024:

   - 11.4 per cent of households in rural areas, equivalent to 515,000, were fuel poor compared to 11 per cent in urban areas. Over the past 5 years there has been a fall of 3 per cent in urban areas but no change in rural areas.
   - The average annual fuel poverty gap in rural areas was £668, an increase of £255 compared to 5 years ago.
   - Rural households with an energy efficiency rating of F or G had an annual fuel poverty gap of £2,000.
   - In rural areas, 1 in 4 households, or 1.4 million homes, are off the gas grid. 17 per cent of off-grid households were fuel poor compared to 10 per cent on-grid households. The average fuel poverty gap for off-grid households was £820 compared to £299 for on-grid households.
   - In 2020-22, the average life expectancy in rural areas was 80.1 years for males and 83.7 years for females compared to 78.1 years and 82.3 years in urban areas.
   - In 2000-2022, there were 3.2 infant deaths per 1,000 live births in rural areas compared to 4.2 infant deaths in urban areas and, in the mostly rural areas, the figure fell to 2.8 infant deaths.
   - The suicide rate in rural areas was 11.7 deaths per 100,000, compared to 10.9 deaths in urban areas.
   - In 2020, 28 per cent of rural residential properties were built pre-1919 compared to 18 per cent of urban properties while 49 per cent of rural homes were detached compared to 16 per cent of urban homes.
   - Only 7 per cent of rural homes were flats compared to 26 per cent in urban areas.

5. Developed by Ei OPERATOR, a new suite of Lantra accredited online training courses will help manufacturers, dealers, owners and operators comply with the British Standard Code of Practice for the use of autonomous mobile machinery in agriculture and horticulture.

6. The Royal Agricultural University has launched a new Farmer-friendly Finance course.

7. Under the Veolia Orchard Scheme, until 7 November, schools, educational establishments and social facilities can apply for either 5 apple or pear trees or 10 strawberry plants with delivery in Spring 2026.

8. Rea Valley Tractors has been placed in administration and most of its staff made redundant.

Postscripts

1. Followers of Flight Radar may have noticed increased jet activity in Peterborough last month. To prepare for future deployment to areas of conflict, pilots were instructed to practice flying over areas that most closely resemble a war zone, with derelict buildings, roads riddled with craters and a fearful population sheltering indoors for safety from the horrors outside. So, Peterborough was the obvious choice.

2. The hardest football pitch I played on was made of crushed brick rubble and concrete. We won 3-2 on aggregate.

3. There is a medical distinction between Guts and Balls. We've all heard colleagues referring to people with Guts or with Balls.

   Do they, however, know the difference between them?

   Here is the official distinction, straight from the British Medical Journal, volume 323, page 295.

   GUTS – is arriving home late after a night out with the lads, being met by your wife with a broom, and having the Guts to ask: "Are you still cleaning or are you flying somewhere"!

   BALLS – is coming home late after a night out with the lads, smelling of perfume and beer, lipstick on your collar, slapping your wife on her butt and having the Balls to says "You're next Chubby."

   One trusts this clears up any confusion.

   Medically speaking, there is no difference in the prognosis, both are fatal.

4. After 30 years of marriage, a husband and wife went to counselling. The wife poured out every complaint – neglect, loneliness, feeling unloved, you name it she said it. Finally, the male therapist got up, asked the wife to stand, and kissed her passionately in front of her husband. The wife, stunned, sat down quietly in a daze. The therapist turned to the husband and said 'This is what your wife needs at least three times a week. Can you manage that?" The husband replied: "Well, I can drop her off on Mondays and Wednesdays … but on Fridays I play golf!"

You have a choice. Which devil would you like?

The Finance Bill Sub-Committee is to consider the issue of unused pension funds and death benefits and the proposed treatment for Inheritance Tax as well as the reforms to Agricultural Property Relief (APR) and Business Property Relief (BPR). The deadline for submissions closed on 7 October.

Various learned bodies have made submissions, some of which are detailed below:

- ‘It is essential that the £1 million 100 per cent allowance should be transferrable between spouses and civil partners.” STEP
- ‘Inter-spouse transfers of agricultural property should be accompanied by a transfer of the ownership period’. STEP. At present, a transfer of ownership period only occurs on death meaning the donee of a lifetime transfer has to establish an ownership period before relief can apply.
- ‘STEP has asked for clarity around the allocation of the allowances to different beneficiaries, assets and trusts. In the draft legislation, this lack of clarity persists.’ How can taxpayers and advisers consider the consequences of the proposed legislation when the workings are not understood by even the most learned of bodies?
- ‘In a case where there are two settlors, will that result in a trust being eligible for two allowances, as they would represent two different settlements?’ STEP
- ‘Business owners have planned their finances and ownership structures for decades on the provision that they would be entitled to full BPR and/or APR on their deaths. Those who are elderly, of limited life expectancy, or who lack legal capacity to change their wills or make lifetime gifts will be unduly penalised.’ ICAEW
- ‘As the legislation stands, in order to pay an estate’s IHT liability, executors will suffer double taxation if they have to pay Income Tax or Capital Gains Tax on the disposal of assets when extracting funds from companies.’ ICAEW

The standings of Sir Keir Starmer and Rachel Reeves are at all- time lows. So, is there hope on the horizon? Apparently not. The Mayor of Manchester, Andy Burnham, has thrown his hat into the ring and a Wealth Tax is top of his agenda. A general statement is that ‘farmers are asset rich but cash poor.’ Will a Wealth Tax include exemptions for agricultural and business assets? Don’t bank on it!

Monthly Farming Update

We welcome feedback on the MFU.
Does this issue raise any questions in your mind?
Would you like more information on a particular item?

Please ring one of our agricultural specialists:

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

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

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