



CHAVEREYS

CHARTERED ACCOUNTANTS & FINANCIAL ALCHEMISTS



Monthly Farming Update

February 2026

Policy issues

1. The political lecture at the Oxford Farming Conference is regarded as setting the tone of the Government's agenda for the year ahead. Here are some pertinent statements made on 8 January by Emma Reynolds, Environment Secretary:
 - 'Farmers are the custodians of 70 per cent of England's land and provide 65 per cent of the food we eat' *[so they intend to cover an area the size of Bedfordshire with solar panels and import what food we need.]*
 - 'So, I came into this role with an understanding of the challenges you face' – *[she would, she is a colleague of Rachel Reeves.]*
 - 'And for your determination to build businesses you can pass on to the next generation' *[after you have paid Inheritance Tax of course.]*
 - 'I live in a rural area and represent rural constituency with 89 farms' *[there is not a single reference to farming in the Wikipedia report on her town of Wycombe.]*
 - 'This government is serious about partnership with your sector' *[which is why they have introduced Inheritance Tax, are planning to increase ties with the EU, increase competition for free trade in food by removing tariffs and have frozen Defra's budget.]*
 - 'We're committed to giving you clarity and stability' *[which is why they have left you hanging by the thread following the Inheritance Tax changes announced in the Autumn 2024 Budget.]*
 - 'I will chair this new Board, with my excellent colleague, Angela Eagle, as my deputy. *[Dame Anna Eagle is MP for Wallasey, a dockside and seaside constituency on the Mersey Estuary, and has previously admitted in the House she knows little, if anything, about farming.]*
 - 'Farmers will have a seat at the table when policy is developed' *[but she will decide when that is.]*
 - 'We have announced planning reform to unlock food and farming infrastructure' *[but, first of all, much of your land is to be covered with houses and solar panels.]*
 - 'I have a background in business' *[her 'business' career appears to have been only as a political lobbyist.]*
 - Our deal with the EU on food standards will slash red tape and costs, improving access to the EU market' *[research carried out by the Agriculture, Food and Development authority in Ireland has found that aligning the use of herbicides and pesticides with the rules applicable in the EU reduced yields by 30 per cent and further analysis by The Anderson Centre estimates the cost to farmers as being upwards of £500 millions in the first year (see Inputs).]*
2. Alistair Carmichael, Chair of the Environment, Food and Rural Affairs Committee, has called on the Government to publish the impact assessment on the effect of the Inheritance Tax changes on farms and estates.

Reform

1. Applications for the 'reformed' Sustainable Farming Incentive will open in June. There will be two phases, the first for smaller farms, or those not already in a scheme, while the second phase will open in September for wider applications.
2. Defra has published data on the cost of the Sustainable Farming Initiative as at 27 October:
 - The total revenue spend across SFI 23 schemes and the Expanded Offer was £848 millions covering 35,500 businesses.
 - 4 per cent of businesses were in receipt of 25 per cent of the total fund.
 - 14 per cent of businesses were in receipt of 50 per cent of the total fund.
 - 34 per cent of businesses were in receipt of 75 per cent of the total fund.
3. As at 30 September 2025, the Farming Equipment and Technology Fund had received 30,200 applications and had released £124.5 millions to applicants. The highest paid claim was £55.9 millions. The most funded items have been Heat Detection System Ear Tag Collar or Ankle Band, followed by Nipple Drinker Systems and Cow Mattresses. The territories with the most applications are the South West and the North West.
4. The RPA has reported that 80 per cent of farmers offered an extension of a year to their Countryside Stewardship Mid Tier agreements have accepted, totalling 4,000. The total value is of the order of £59 millions.
5. The Welsh Government has allocated £11 millions to Farming Connect to assist in the transition to the Sustainable Farming Scheme.

Grants/regulations/legislation/environment

1. Defra has published a White Paper, 'A New Vision for Water', which proposes:
 - Private funding of £104 billions for a 2025-2030 investment programme.
 - Reforms to Strategic Policy Statements.
 - The creation of an integrated water regulator.
 - The creation of an independent water ombudsman.
 - A single set of standards and enforcement for agricultural pollution.
 - The publication of a Transition Plan to take the water sector through the reform process.
2. In the 5 years to 31 March 2025, of the Local Sites, which are sites designated locally for their substantive nature conservation importance, either for wildlife or ecology, 38 per cent are in positive conservation management, up 6 per cent on 2008/09 but down 1 per cent on 2023/24. The response rate for data has fallen from 98 per cent, in 2008/09, to 46 per cent. Responses are due from local authorities.
3. The High Court has rejected the Moorland Association's attempt to seek a judicial review of the restrictions on heather burning.

4. Virgin Money is partnering with Trinity Ag Tech to develop a carbon measurement tool to enable farmers to measure their emissions footprint and understand potential mitigation measures.
5. Farming UK has reported that farmers are facing increased rodent infestations with mixed farms being most affected. Suspected anticoagulant resistance is a key concern with 40 per cent of surveyed farmers reporting resistance on their own farms. With effect from January, proof of CRRU-certification obtained within the last 5 years is required to purchase professional-use rodenticides yet 50 per cent of farmers surveyed had yet to adjust their management strategies.
6. A campaign group Halt (Halt All Large Transmission/Solar Farms) has been formed by villagers in Camblesforth, Carlton, Burn, Hirst Courtney and Temple Hirst in North Yorkshire. The group is seeking a High Court Judicial Review into the decision of the Energy Secretary and Net Zero Secretary Ed Miliband to approve a 485-hectare solar infrastructure project near Selby.
7. The Welsh Government is to consider the proposal for a new national park based on the existing Clwydian Range and Dee Valley National Landscape following a Public Note period. However, the Farmers Union of Wales has expressed concern about the scale of the proposed boundary, the lack of clarity around long-term funding and governance and the potential impact on farming businesses and rural infrastructure.
8. British Apples & Pears Ltd has secured funding of £200,000 from Innovate UK under the ADOPT programme for two applied research projects. One project will test whether innovative nitrogen technologies can reduce, or potentially replace, conventional foliar fertilizer applications in commercial apple orchards. R-Leaf is a daylight-activated foliar spray that captures nitrogen pollutants from the air and converts them into plant-available nitrate directly on the leaf surface. Vixeran is a microbial biostimulant that supports natural nitrogen fixation in the root centre. The second project will test whether soil amendments applied at planting can help new apple orchards establish faster, improve resilience and reduce the carbon footprint of replanting.
9. Foodservice supplier Fresh Direct is partnering with regenerative farming consultancy Regen Future Co on nature and diversity projects with its suppliers, FreshGro, Len Wright Salads and Barfoots. with the objective of strengthening the resilience of its supply chain. Projects include a 300 metre diverse hedgerow and wildflower meadow, new wildlife habitats and a new freshwater ecosystem to boost diversity. The company has achieved its objective of sourcing all contracted British produce from LEAF Marque-accredited growers.

10. The journal Ecological Solutions and Evidence has reported that the population of sika deer in Scotland, imported from east Asia in the 19th Century, grew by 10 per cent in 2024/25 while the red deer population fell by 22 per cent. There are concerns that the situation could be the equivalent of the decimation of the population of the red squirrel as the sika deer thrive in dense groups, eat almost anything, are harder to cull and are fast breeders.
11. The second phase of the winter grant offered by the Royal Agricultural Benevolent Institution opened on 2 February. 1,000 grants of £400 are available.
12. A dead nest of the yellow-legged hornet (Asian hornet) has been found near Wrexham, the first such incidence in Wales.

Other matters of farm finance and tenure

1. The High Court has granted permission for a ‘rolled up’ hearing of a judicial review of the changes to Agricultural and Business Property Relief following the claim that the Government acted unlawfully by undertaking only a limited technical consultation on a narrow aspect of the proposed reforms. A ‘rolled up’ hearing means the court will consider whether the claim should be allowed to proceed and also its substantive merits.
2. Data has been published on Farm Accounts in England for the year to February 2025:
 - Average Farm Business Income rose by 49 per cent to £71,200.
 - Average net income from agri-environment activities more than doubled to £21,200.
 - Average income from diversified activities rose by 21 per cent to £22,400.
 - On cereal farms, average FBI rose by 20 per cent to £49,700.
 - On general cropping farms, average FBI rose by 3 per cent to £107,700.
 - Dairy farms more than doubled average FBI to £107,700.
 - Lowland grazing farms recorded an increase of 223 per cent, to £41,300, while grazing farms in Less Favoured Areas only increased by 61 per cent to £40,300.
 - Specialist pig farms recorded a fall of 6 per cent to £126,700.
 - Specialist poultry farms saw an increase of 34 per cent to £235,900.
 - Horticulture farms recorded an absolute fall of 1 per cent to £52,700.
 - 72 per cent of farms had some form of diversified activity with 50 per cent letting buildings and 27 per cent producing solar energy.
 - 21 per cent of farms recorded a net loss with horticulture leading the way at 33 per cent, followed by cereals at 27 per cent, mixed at 25 per cent, lowland grazing livestock at 19 per cent, less favoured area grazing livestock, specialist pigs and specialist poultry all at 16 per cent, general cropping at 14 per cent and dairy at 11 per cent.

- 69 per cent of specialist poultry farms achieved a net income in excess of £100,000, followed by 51 per cent of dairy farms, 40 per cent of specialist pig farms, 37 per cent of general cropping farms, 23 per cent of mixed farms, 20 per cent of cereal farms, 13 per cent of lowland grazing livestock and horticulture farms and 12 per cent of less favoured area grazing livestock farms.
- 3. The House of Lords has urged the Government to extend the deadline for paying Inheritance Tax on pension assets and for estates with qualifying agricultural and business assets from 6 to 12 months.
- 4. The Welsh Government has published details of farm incomes for the year to March 2025:
 - Average income of dairy farms almost doubled to £133,700.
 - Less Favoured Area livestock incomes fell by 68 per cent to £37,200.
 - Lowland livestock farms incomes increased by 39 per cent to £32,000.
- 5. The Agricultural Price Index for December for outputs increased by 0.1 per cent, compared to November, and by 2.6 per cent compared to a year earlier. The index for inputs increased by 0.6 per cent and 2.4 per cent respectively.
- 6. The Rural Services Network has reported serious concerns over the new Local Government Funding Formula. It has advised that, in 2026/27, urban councils will receive 41 per cent more funding per head than most rural councils while rural residents will pay, on average, 20 per cent more council tax than urban dwellers.
- 7. According to the Office for National Statistics, a net 3,090 businesses in the agricultural, forestry and fishing industries closed in 2025, the largest number since records began in 2017.
- 8. Whins Farm in Cumbria, purchased by the Addington Fund, is being transformed into a 'starter farm' as part of the Addington New Entrant Scheme. The scheme uses a farm tenancy together with a financial grant programme and will include assistance in developing business plans.
- 9. The Scottish Government has confirmed that shooting and deer forest businesses may be excluded from eligibility for the Small Business Rates scheme which comes to an end on 1 April.
- 10. The Addington Fund has launched the New Entrant Grant Scheme with a total fund of £100,000 available. Grants are available to those aged 18-40 who are entering or who have started farming within the past 5 years and is focused on initiatives that deliver benefits to a new farming business. The maximum grant is £3,000 per individual.
- 11. Kent-based vertical farming company, GrowUp Farms, has been rescued from administration by Sun Capital Ltd with the result that the company's operations have been unaffected.

Product prices

A. Market background

1. Sterling, once again, closed up against the Euro and the US Dollar (more so) this month; the volatility against the Euro was more pronounced whilst the range of movement against the Dollar was greater. Having opened the month at 87.2p per Euro, Sterling peaked early at 86.5p, then fell back to a low of 87.4p before recovering to peak again at 86.5p per € where it held and ultimately closed the month (0.7p stronger). Meanwhile, the movement against the US Dollar was smoother but more significant, with Sterling opening at 74.2p per \$ and, after an early improvement to 73.8p, it softened to a mid-month low of 75.0p, and climbed to a late peak of 72.2p before relaxing to close the month at 73.0p per \$ (1.2p stronger).
2. The gold price, already strong, rose for most of the month and jumped in the final days to set a materially higher all-time high before falling back to close the month, albeit still materially up. Opening at £3,209 per troy ounce, the price climbed throughout the month, by £837 overall, to peak at £4,046, before settling back in the final days to £3,591 per troy ounce, a net gain of £382.
3. Crude oil prices closed up, having sat marginally lower and peaked higher during the month. Brent Crude opened at \$60.85 per barrel and fell to a low of \$59.96, then climbed for most of the month to peak at \$69.59 before relaxing to close at an average price of \$69.32 per barrel, up \$8.47 overall.

B. Crops

1. The cereals market closed lower overall, accentuated by the strength of Sterling against both US dollar and Euro. US reports have cast concern over their winter crop, with snow and low temperatures hampering development, whilst Ukrainian exports remain well behind those of the prior year which suggests high stock carry-over into next season is likely. Milling wheat premiums have fallen to below £10/tonne reflecting the general surplus of milling quality crop across Europe and wider afield. Feed wheat futures closed down, having been both higher and lower during the month; by late January, deliveries for November 2026, and 2027 were £171/tonne (-2) and £181/tonne (-1) respectively. Oilseed rape prices edged up, partly due to seasonal demand (Chinese New Year and Ramadan), partly following the rising price of crude oil and partly led by the global soyabean market.
Average spot prices in late January (per tonne ex-farm): feed wheat £163 (-2); milling wheat £171 (-11); feed barley £152 (+3); oilseed rape £410 (+3); feed peas £209 (-); feed beans £205 (+3).

C. Livestock

1. The average live-weight cattle prices for steers and heifers both closed down by a small margin. The average steer price, from its opening average of 369p/kg lw, peaked early on at 376p/kg, before weakening to close the month at 360p/kg lw (down 9p to sit 31p/kg above the average a year earlier). The average finished heifer price improved in the early stages from its opening position of 380p/kg to 396p/kg, before falling back to a closing average of 373p/kg (down 7p and 34p above the average a year earlier). The average dairy cow price was more stable this month. From an opening position of £1,637 it peaked at £1,771 before dropping back to a closing average of £1,669 per head (up £32 to sit £421 below the prior year average).
2. The average finished lamb price (SQQ liveweight, old season) climbed in early days but fell back to close almost back where it started. From an opening average of 324p/kg, it peaked at 343p/kg then fell back over the remainder of the month to close at 325p/kg (up 1p, sitting 12p/kg above the average a year earlier).
3. The average UK standard pig price (SPP deadweight) fell sharply at the start of the month, falling, albeit more moderately, thereafter. From an opening position of 198.0p/kg dw, it fell to £193.4 early on, eventually closing at 191.4p/kg (down 6.6p/kg overall, 12.8p/kg below the previous year).
4. The UK all milk price for November, reported this month, recorded a significant fall of 2.39ppl to 42.91ppl, sitting 3.35ppl below a year earlier and 2.87ppl above the rolling 5-year average. The initial estimates for December suggest a further fall of 2.62ppl to 40.29ppl. By comparison, the EU average milk price for November fell 1.36ppl to 45.88ppl, only 0.07ppl below the price a year earlier.

Other crop news

1. Defra has published final figures on the 2025 harvest:
 - The UK wheat harvest was 12m tonnes, up 7.3 per cent on 2024 due to a 9.1 per cent increase in area to 1.7m hectares but with a 1.7 per cent fall in yield to 7.2t/ha.
 - The barley harvest fell by 10 per cent to 6.4 million tonnes. Spring barley production fell by 16 per cent, with yield down 5.4 per cent, while winter barley recorded an increase of 1.2 per cent with the yield up by 7.2 per cent.
 - Production of oats fell by 2.3 per cent to 963,000 tonnes. While the area increased by 8.8 per cent to 198,000ha, the yield fell by 10.9 per cent to 4.9t/ha.
 - Oilseed rape production increased by 7 per cent to 893,000 tonnes. Although the area was down by 18 per cent, the yield rose by 30 per cent to 3.7t/ha.
 - Wheat straw was steady at 2.6m tonnes but barley straw fell by 24 per cent to 1.3m tonnes.

2. The International Barley Hub, an international consortium led by the research units of the Clermont-Auvergne-Rhone-Alpes Centre and including the James Hutton Institute, has identified genomic evidence of convergent selection, a process where unrelated crop species independently evolve similar genetic adaptations to the same environmental pressures. The researchers compared genome-wide molecular analysis of over 1,300 domesticated barley, emmer, durum and bread wheat lines. They discovered that different species adapted using similar genetic changes and identified shared variants in genes that control plant development, inflorescence structure, starch grain size, tillering, root architecture, drought avoidance and key domestication traits.
3. The latest report from the Horizon Europe LEGUMINOSE project has been published. The project is exploring the benefits of growing two or more species of crop together. In 2025, intercrops outyielded monocrops by 6 per cent. Further, grain protein increased by 1.5 per cent while the legume component compensated by increasing symbiotic atmospheric nitrogen fixation. Some evidence has been reported of reduced numbers of bruchid beetles and, while higher numbers of aphids were reported, populations declined faster due to higher predator numbers.
4. The Agricultural Price Index for December showed increases of 24 per cent for forage plants, compared to a year earlier, 2.6 per cent for fresh vegetables and 11.8 per cent for fresh fruit but there were falls of 8.3 per cent for wheat, 6 per cent for barley, 16.5 per cent for oats, 8.1 per cent for potatoes and 1.8 per cent for oilseed rape. Compared to November, there were increases of 2.4 per cent for wheat, 1.7 per cent for barley and 3.3 per cent for oilseed rape but falls of 5.6 per cent for oats, 10 per cent for potatoes, 0.1 per cent for forage plants, 2.5 per cent for fresh vegetables and 1.7 per cent for fresh fruit.
5. Scientists at China's Nanning Agricultural University have presented the first chromosome-scale genome assembly of the tetraploid potato variety Ningshut 15. The scientists claim that this reference genome not only advances understanding of potato genetics but also uncovers the role of the specific gene StTST2 in regulating sugar content and enhancing yield. They believe the discovery will aid future breeding programmes to improve crop productivity and quality.
6. Research undertaken by Andersons, on behalf of British Apples & Pears Ltd, suggests that top fruit growers will be faced with cost increases of 2 per cent in 2026 on top of labour cost increases, energy price volatility and structural cost rises. The main inflationary areas are:
 - Growing and harvesting costs will be up 3 per cent, driven by labour-related activities such as pruning, thinning and harvesting.
 - Overheads will also be up 3 per cent.
 - Storage, grading, packing and marketing costs are expected to rise by 2 per cent.

7. Researchers at Michigan State University, the US Department of Agriculture Research Service and the University of Maryland have demonstrated that suppressing the LAZY1 gene dramatically alters branch orientation in European plum trees. The researchers showed that trees in which LAZY1 was silenced developed wider branch angles and non-upright growth patterns that improved canopy openness.
8. Researchers from Nanning Agricultural University have reported a detailed functional characterisation of the pear transcription factor PuKAN4 which acts as a potent repressor of anthocyanin biosynthesis. Anthocyanins are flavoured pigments that produce red, purple and blue colouration in flowers and fruits. The work shows that PuKAN4 interacts with major anthocyanin regulators to shape the development of red pigmentation in pears.
9. Following its acquisition of the strawberry assets of UK-based NIAB, Bayer has developed its first strawberry variety. Bayer Solare is a June-bearing cultivar with impressive productivity and strong disease resistance. It is designed to reduce post-harvest darkening and has a balanced sugar-acid rates.
10. Interim results have been published from a Soil Association Innovative Farmers' Field Lab project considering the effects of living mulches in bush and cane fruit. Mulch treatments were employed on blackcurrant cuttings as a method of weed control and comprised wild white clover, white clover and trefoil mix, woodchip and a herbicide treatment. In the Norfolk trial site, the mulch treatment reduced the weed burden by as much as 100 per cent but concern was expressed that it was competing with the blackcurrant crop. In the Kent trial site, the mulch treatments established so well that further crop establishment was prevented. The trial is to be adapted using one-year old blackcurrants.
11. Researchers at China's Northeast Agricultural University have reported an analysis of phyllosphere metabolites and microbial communities in blackcurrant cultivators both resistant and susceptible to powdery mildew. The researchers have demonstrated how specific plant metabolites promote the enrichment of beneficial microbes on the surface of the plant while suppressing fungal growth.
12. A joint venture between Green Clover Developments, Oakland's development arm, and Cannington Enterprises, will result in the latter designing, building and operating an AD plant using food waste sourced from Oakland International. Energy and heat, together with digestate and CO₂, will be sold to local farms.
13. The British Tomato Growers' Association and the Cucumber & Pepper Growers Association have warned that a 60-80 per cent increase in electricity standing charges, due to come into effect on 1 April, with a further 60 per cent increase due by 2030, will force growers to raise prices or halt production unless the Government intervenes within weeks. Some glasshouse businesses are facing additional charges of up to £1m with a similar increase in 2027.

14. Logistics provider Oakland International is opening a series of new anaerobic digestion plants on 4 acres in Redditch to provide energy for the 'next generation' of vertical farming, mushroom production and food manufacturing.
15. Wageningen University & Research has launched a trial within the AGROS II project involving the cultivation of cucumbers in which three greenhouse compartments will be used to experiment with different methods of autonomous cultivation. All three crops will be controlled remotely. One will be controlled by a group of cultivation experts, one by an AI algorithm and one by a Digital Twin.
16. The English Olive Co, based near Spalding, has harvested its first olives from a 10-hectare grove planted in 2024.

Other livestock news

1. Defra has published the Livestock Transformation Information Programme. Main points are:
 - The replacement of species-specific traceability systems across England with the multispecies Livestock Information Service.
 - The LIS will be introduced first, replacing the existing Cattle Tracing System. The new system will be introduced gradually, starting with a small group of cattle keepers.
 - Bovine Electronic Identification will be introduced.
2. Defra has issued a consultation on proposals for a potential reform of the Veterinary Surgeons Act 1966. It includes proposals for a licence to practice process, a fitness to practice process, a regulation of veterinary businesses and animal health providers and a monitoring process of the governance of professions and the sector. The consultation closes on 25 March.
3. Bluetongue VTV-3 has been confirmed in Cheshire, Devon, Cornwall, Kent, Staffordshire, Lancashire and Derbyshire.
4. During December, with comparisons to a year earlier:
 - UK prime cattle slaughterings fell by 0.5 per cent to 157,000 head.
 - Beef and veal production rose by 2.4 per cent to 72,000 tonnes.
 - Sheep slaughterings fell by 4.1 per cent to 1,070,000 head.
 - Mutton and lamb production rose by 0.4 per cent to 25,000 tonnes.
 - Pig slaughterings rose by 2.4 per cent to 872,000 head.
 - Pigmeat production rose by 6.5 per cent to 82,000 tonnes.
5. France has reported 4 further outbreaks of Lumpy Skin Disease on the border with Spain while Spain has recorded 1 case on the border with France. The risk of the disease entering the UK has been downgraded to low.
6. Muller has reduced its price by 3ppl to 35.5ppl.

7. During December, average butterfat fell by 0.4 per cent, compared to November, but was up 0.4 per cent on a year earlier, to 4.45 per cent. Average protein fell by 0.9 per cent, compared to November, but was up 3.3 per cent on a year earlier, to 3.55 per cent.
8. Arla has reduced its price by 3.51ppl to 35.73ppl but the price paid for organic milk has remained unchanged.
9. During December, with comparisons to November:
 - UK milk production rose by 4.2 per cent to 1,275 million litres.
 - Liquid milk production rose by 6.4 per cent to 492 million litres.
 - Cheese production rose by 5.3 per cent to 42,400 tonnes.
 - Butter production rose by 8.7 per cent to 15,400 tonnes.
10. First Milk has reduced its price by 2ppl taking the price of a standard manufacturing litre to 30.25ppl.
11. The Agricultural Price Index for December shows increases of 29.7 per cent for cattle and calves, compared to a year earlier, and 7.1 per cent for sheep and lambs but falls of 3.5 per cent for pigs, 2.2 per cent for poultry, 7.2 per cent for milk and 0.3 per cent for eggs. Compared to November, there were increases of 1.9 per cent for cattle and calves and 5 per cent for sheep and lambs but falls of 1.8 per cent for pigs and 5.3 per cent for milk.
12. Saputo has reduced its price by 4ppl to 38ppl.
13. Barber's Cheesemakers has cut its price by 2.06ppl making the price of a manufacturing litre 34.01ppl.
14. Innovis Breeding Services, in partnership with GenomNZ, the leading commercial animal DNA genotyping laboratory in New Zealand, has developed Sheep Genomic 80K Plus Packages. It will provide a Scrapie genotyping service, markers for commercial traits and the ability to verify parentage and pedigree.
15. A project funded by Innovate UK, 'The Forage for CH4nge', has found that native Swaledale ewes produce less methane than commercial Texel crosses due to their smaller body size. However, adjustment for body size results in little difference. Yet, even adjusting for weight, Swaledale ewes produce less carbon dioxide than crossbreds when foraged on herb-rich natural grassland or moorland.
16. Defra has opened a consultation concerning proposals to increase the accessibility of new methods of lamb castration and tail docking that have been shown to be less detrimental to welfare than traditional methods, require the use of pain relief for methods that are known to cause significant pain and set restrictions how who can carry out each method, how and when. The consultation closes on 9 March.

- 17.** New regulations mandating classification and price reporting for sheep carcasses have come into force in England and Scotland with Wales and Northern Ireland to follow shortly.
- 18.** The National Sheep Association has launched its latest survey on the issue of sheep worrying and has invited dog owners to contribute. The survey is open until March 9 at sheepworrying.org.uk.
- 19.** Highly pathogenic avian influenza has been confirmed in commercial poultry in Newark, Nottinghamshire (3); Grassington, North Yorkshire (3); Bicester, Oxfordshire; Bacton, Suffolk (2); and Mundford, Norfolk.
- 20.** Defra has opened a consultation on proposed amendments to legislation as follows:
 - From 2027, a ban on the building, or bringing into service for the first time, any enriched 'colony' cage system for the keeping of laying hens (including those in establishments with fewer than 350 birds) and any other caged systems used for pullets and breeder layers;
 - From 2027, a ban on the use of existing conventional 'battery' cages for the keeping of laying hens in establishments with fewer than 350 birds; and, from 2032, a ban on the use of existing enriched 'colony' cages for the keeping of laying hens (including those in establishments with fewer than 350 birds) and any other caged systems used for pullets and breeder layers.The consultation closes on 9 March.
- 21.** During December, with comparisons to a year earlier:
 - UK commercial layer chick placings rose by 9.2 per cent to 3.6 million chicks.
 - Broiler chick placings fell by 7.7 per cent to 96.7 million chicks.
 - Turkey poult placings fell by 7.6 per cent to 600,000 chicks.
 - Turkey slaughterings fell 32 per cent to 800,000 birds.
 - Broiler slaughterings rose 7.4 per cent to 92.8 million birds.
 - Poultry meat production rose 6.4 per cent to 169,300 tonnes.
- 22.** Following natural growth in its sales of chicken products, M&S is to invest £36 millions into expanding its RSPCA Assured Higher Welfare Oakham Gold chicken range with additional farms coming into operation as well as new breeding and rearing facilities.
- 23.** Since last June, Poland has reported a further 66 outbreaks of Newcastle disease in commercial poultry farms while a single outbreak has occurred in Slovakia. In December, 4 outbreaks were reported in eastern Spain followed by one more in January.
- 24.** In the three months to December:
 - 273 million dozen eggs were produced for human consumption, an increase of 1.6 per cent on the quarter to September and up 7 per cent on a year earlier.
 - The average farmgate price was 148p per dozen, up 0.3 per cent and 1.2 per cent respectively.

- The production of egg products totalled 18,000 tonnes, up 6 per cent and 34.5 per cent respectively.

25. The British Pig & Poultry Fair is to be held at the NEC Birmingham on 13/14 May

26. Since last June, outbreaks of African Swine fever in domestic pigs have been reported in Bosnia and Herzegovina, Croatia, Estonia, Greece, Moldova, Poland, Romania, Serbia and Ukraine. Cases in wild boar have been reported in these countries as well as Bulgaria, Czech Republic, Germany, Hungary, Italy, North Macedonia and Spain.

VIII Inputs/Supply businesses

- 1.** Following analysis by The Andersons Centre, CropLife UK has reported that immediate and complete alignment with the EU on plant protection products could cost the arable, horticulture and sugar sectors between £500 millions and £810 millions in the first year alone.
- 2.** An updated integrated pest management tool, the IPM Planning Tool, has been released. The tool has been used by more than 2,000 farmers, agronomists and advisers since 2023 to create more than 5,400 bespoke IPM cropping plans. The tool is freely available at ipmtool.net.
- 3.** A study at Wageningen Environmental Research has found that urine is taken up very effectively by plants, up to 25 per cent better than the nitrogen in conventional inorganic fertilizers. The urine is treated with an electric field and a membrane, it has no medicine residues and is safe to use.
- 4.** The Agricultural Price Index for December shows falls of 0.8 per cent for seeds, compared to a year earlier and 1.3 per cent for animal feeding stuffs but there were increases of 3.2 per cent for energy and lubricants, 16.7 per cent for fertilizers, 0.9 per cent for chemicals, 5.1 per cent for veterinary services, 3 per cent for building maintenance and 6 per cent for equipment maintenance. Compared to November, there were increases of 1.2 per cent for fertilizers, 2 per cent for chemicals, 0.1 per cent for veterinary services, 0.9 per cent for animal feedingstuffs, 0.1 per cent for building maintenance and 0.8 per cent for equipment maintenance.
- 5.** The Health & Safety Executive has updated its guidance for securing a permit to aerially apply pesticides including the use of drones comprising:
 - clearer guidance on how to apply for an extrapolated trials permit and the processes and procedures involved
 - guidance on applying for an aerial application permit
 - reference to the need for drone operators to seek authorisation to fly from the Civil Aviation Authority.

6. Soilworx, an organic fertilizer producer based in Ireland, is expanding outside of Ireland to offer farms a blend of organic and chemical inputs. It has launched Organo Mineral Fertilizers, products that blend instant-release mineral nutrients with the phased release of organic amendments. Its core product is 4-2-3 NPK but is developing an 8-2-2 formulation as well as 12-1-1 and 10-4-4.
7. Glaia has produced a chemical spray which increases the efficiency of light use on plants. Tested on *Fragaria* (strawberries), yield increase was as much as 20 per cent and, across 13 trials, the average yield increase was 7.6 per cent.
8. Lumiforte has launched Cropshader, a starch-based reflective coating to protect orchard crops from sun scorch and heat stress. The product is a certified plant biostimulant and works by reducing solar stress without reducing stomata.
9. Koppert has introduced Limonica Utti-Mite which combines the most predatory mite *Amblydromalus limonicus* with advanced slow-release technology to counter sustainable thrips and whitefly.
10. In association with Certhon, Koppert is building a 3,500m² production hall in Berkel en Rodenrijs for biological insect production, a breeding facility for flour moths.

Marketing

1. According to the British Retail Consortium and Nielsen IQ, food inflation rose by 3.8 per cent in 2025, up from 3 per cent for the year to November.
2. The Groceries Code Adjudicator is seeking the views of suppliers on how they have been treated by the 14 designated retailers. The survey is open until 22 February and can be accessed on start.yougov.com/refer/vVj9qzzjMzKyc0.
3. Following the first phase of an anti-subsidy investigation, China has imposed temporary tariffs on EU cheese, high-fat milk and cream. Companies selected in the investigation will be subject to tariffs ranging from 21 per cent to 42.7 per cent; cooperating companies will be subject to a 28.6 per cent rate; and other EU companies will be subject to the 42.7 per cent rate.
4. In the year to 28 December, with comparisons to a year earlier:
 - Beef volumes in food service fell by 3.5 per cent with average prices increasing by 0.9 per cent. Takeaways recorded a decline of 8.6 per cent.
 - Volumes of Asian beef meals increased by 11.5 per cent, Indian by 1 per cent and savoury pastries by 0.3 per cent. However, burger volumes fell by 3.4 per cent, Italian meals by 2.7 per cent, meat centred meals by 7.7 per cent, sandwiches by 12.3 per cent and Mexican by 20.1 per cent.
 - Lamb volumes in foodservice grew by 0.2 per cent with average prices increasing by 10.2 per cent.

- Volumes of lamb meat centred meals increased by 5.6 per cent, Asian by 57.4 per cent and savoury pastries by 6.3 per cent. However, kebab volumes fell by 2.4 per cent and Indian meals by 3.4 per cent.
 - Pigmear volumes in foodservice fell by 2.3 per cent although average prices increased by 4.3 per cent.
 - Volumes of Mexican pigmeat dishes increased by 22.5 per cent and Italian by 0.6 per cent. However, volumes of savoury pastries fell by 5.1 per cent, breakfasts by 5.3 per cent, Indian meals by 41.2 per cent, meat centred meals by 3.8 per cent, pizza by 14.1 per cent and salads by 1.5 per cent.
- 5.** Data from AHDB shows:
- Human and industrial demand for cereals is expected to be 9.17Mt, down 1.315Mt on 2024/25 as a result of reduced demand from the bioethanol and brewing, malting and distilling sectors.
 - Barley demand from the human and industrial sector is forecast to be 1.584Mt, down 214Kt and the lowest since records began in 1990/91.
 - Animal feed demand is relatively stable.
 - Wheat imports are estimated at 2.2Mt, down 28 per cent on 2024/25.
 - Maize imports are forecast to be 2.17Mt, down 30 per cent.
 - End-of-season stocks are estimated to be 3.576Mt, a little above average.
- 6.** During December, according to Worldpanel by Numerator, total grocery volumes increased by 1.1 per cent with meat, fish and poultry volumes up 0.8 per cent. However, volume sales of turkey fell by 12 per cent. Roasting leg joints of pork and lamb increased by 24.7 per cent, beef roasting joints rose by 8.6 per cent and pork shoulder joints were up by 43.7 per cent. Cheese purchases increased by 500,000 with cow's cheese volumes sales up 4.4 per cent. Cheddar sales rose by 6.3 per cent, Stilton and British Blue by 0.8 per cent but snacking cheese outperformed by 26.7 per cent. Volume of cream sales were up 1.6 per cent, butter by 3.4 per cent and block butter by 6.9 per cent.
- 7.** The latest YouGov/AHDB Pulse survey has revealed:
- 85 per cent of consumers consider that diet is important to their health.
 - 77 per cent consider that fitness is important to health.
 - 71 per cent consider that healthy food and drinks are too expensive.
 - 25 per cent of adults are seeking to reduce the consumption of ultra-processed foods.
 - 23 per cent of adults are planning to reduce sugar, fat and salt consumption.
- 8.** In the 12 weeks to 28 December, data from Worldpanel by Numerator UK shows:
- Spend on beef increased by 9.8 per cent, despite a volume decline of 6.6 per cent, as a result of an average price increase of 17.5 per cent.
 - Primary beef volumes fell by 8.5 per cent with mince down 10.7 per cent but roasting joints only down 2 per cent.

- Volumes of processed beef fell by 5.6 per cent with sliced cooked meals down 7.9 per cent.
 - Added-value volumes only fell by 1.5 per cent, ready-to-cook achieved a 12.1 per cent increase while sous vide increased by 0.5 per cent.
- 9.** Data from Fresko indicates that wholesale supply patterns of fruit and vegetables are changing. Morning processing (8am-2pm) now accounts for 36 per cent of orders, up from 25 per cent in 2001. Late night processing (8pm-2am) has fallen from 44 per cent to 25 per cent. Wholesalers are reducing reliance on expensive night shift staffing while trying to attract younger workers.
- 10.** According to Kantar Worldpanel by Numerator UK, in the 4 weeks to 28 December:
- Volume sales of roasting lamb increased by 17.2 per cent, compared to a year earlier, roasting pork by 14.2 per cent, roasting beef by 8.6 per cent, gammon by 8.3 per cent and whole chicken by 2 per cent but whole turkey fell by 5.4 per cent.
 - In value terms, roasting lamb increased by 16.2 per cent, roasting pork by 14.8 per cent, gammon by 10.5 per cent, whole chicken by 7 per cent and roasting beef by 6.9 per cent but whole turkey fell by 6.5 per cent.
- 11.** According to Rabobank, milk production from the big 7 dairy exporters in 2025 was 2 per cent up on 2024.
- 12.** According to AHDB, more consumers are planning to buy pork than at any point over the past 8 years.
- 13.** Sales at Aldi reached £1.65bn in the 4 weeks to 24 December, up 3 per cent on a year ago.
- 14.** According to NIQ Homescan POD, Total GB, in the 12 weeks to 27 December, with comparisons to a year earlier:
- Cows' milk volumes fell by 1.5 per cent but spend increased by 7.1 per cent driven by an 8.7 per cent price rise. Whole milk volumes increased by 2.7 per cent but volumes of all other types fell.
 - Volumes of cows' cheese increased by 1.9 per cent with spend up 5 per cent. Cheddar volumes grew by 1.3 per cent, snacking by 8.9 per cent, continental by 0.1 per cent and others by 9.8 per cent. British regionals, processed, Stilton and British blue all recorded falls.
 - Cows' butter volumes fell by 0.5 per cent but spend increased by 6.4 per cent as a result of an average price rise of 7 per cent. Volumes of block butter increased by 6 per cent but spreads fell by 3.7 per cent.
 - Volumes of cows' yoghurt, yoghurt drinks and fromage frais grew by 6.5 per cent with spend up 11.3 per cent. Plain yoghurt volumes grew by 19.7 per cent and fat-free yoghurt by 2.6 per cent.

- Cows' cream volumes increased by 0.1 per cent with spend up 9.7 per cent. Clotted grew by 12.2 per cent, aerosol by 3 per cent, crème fraiche by 2.2 per cent and sour by 0.4 per cent but whipping fell by 9.2 per cent and single by 4.8 per cent.
- 15. In the 12 weeks to 28 December, Asda's grocery market share fell to 11.4 per cent, its lowest on record. Sales fell by 4.2 per cent, its 22nd consecutive period of decline
- 16. Asda has reintroduced its Winter Fruit and Veg Pledge which, in partnership with FareShare and the Coronation Food Project, will result in over 420 tonnes of fresh fruit and vegetables donated to the UK's leading food distribution charity.
- 17. Co-op is to require all UK-grown products to be LEAF marque certified by January 2027.
- 18. British Lion is to launch the 'Smart Food, Smart Choice' campaign to highlight eggs as versatile, affordable and highly nutritious. According to Kantar, in the year to 2 November, egg consumption grew by 5.1 per cent by volume.

Miscellaneous

1. 450 farmers responded to a Farmers Guardian survey, 'Reality of Farming', and over 85 per cent claimed to have changed or scaled back investment plans following the Inheritance Tax changes. Only 11 per cent of respondents claimed they would vote Labour at the next general election even if the tax changes were withdrawn.
2. Paul Harris, MD of REAL success, has published a white paper, 'Facing the Future: Why UK Farming Must Put People First', arguing that, unless farming urgently improves working conditions, leadership capability and career development, it will continue to struggle to attract and retain the next generation workers.
3. The results of a survey from the Nature Friendly Farming Network have been published:
 - 94 per cent of the UK farmers surveyed would switch to less intensive systems if proper incentives were in place.
 - 74 per cent believed public investment in farming should focus on mitigating and adapting to climate change.
 - 83 per cent said funding should be used to encourage less industrial meat production.
 - 56 per cent considered industrial livestock production damaged land.
 - 68 per cent believed the environmental impacts of industrial livestock production negatively affected smaller-scale farms.
4. The Government is planning to introduce legislation whereby all new heavy goods vehicles will need to be electric by 2040. Further, the sale of petrol and diesel-powered trucks up to 26 tonnes will be banned from 2035.

5. A study undertaken by Danone of 5,000 UK adults and 200 dieticians and nutritionists has revealed that 66 per cent of consumers want the Government to take a more active role in supporting healthier food choices. 91 per cent of dieticians and nutritionists consider consumers are ‘overwhelmed’ by conflicting nutrition information.
6. The Society of Agriculture has been launched following the merger of the British Institute of Agricultural Consultants and the Institute of Agricultural Management.
7. A report published by the Centre for Rural Policy Research at the University of Exeter and the Farming Community Network has revealed that the female respondents who felt valued and supported, had decision-making abilities, had social opportunities and were more satisfied with their balance between farm and non-farm work reported higher mental well-being, lower levels of loneliness and lower perceived stress. However, only 4 per cent of respondents reported high well-being while 36 per cent indicated low well-being. Overall, respondents reported average mental well-being lower than the national population.
8. An investigation by the Countryside Alliance has revealed that some local authorities in Wales procure 99 per cent of chicken served to schoolchildren from China or Thailand. Only 2 councils throughout the country secured chickens from the UK.
9. Nuffield Farming Scholarship Trust and the Royal Agricultural Society of England have launched New Entrants and Young Farmers – Making a Start in Farming: A Bitesize Guide to provide advice to potential new entrants. The guide can be obtained at rase.org.uk/reports.
10. The NFU has announced the appointment of Sophie Throup as the new Director General, succeeding Terry Jones. She has recently been Senior Director at the Myton Food Group and was previously Head of Agriculture at Morrisons.
11. Chris Newenham, MD of renowned jam maker Wilkin & Sons, is the new master of the Worshipful Company of Fruiterers.
12. The 2026 LEAF Open Farm Sunday will take place on 7 June.

Postscripts

1. A famous accountant dies and goes to heaven.

A famous accountant is hit by a bus and dies. He opens his eyes to find himself standing before the Pearly Gates. There are THOUSANDS of people cheering. There are streamers and a huge banner that says “WELCOME, FRANK!” There’s a band of angels playing upbeat music. Jesus and Saint Peter are waiting and run up to shake his hand.

A little shell-shocked from his recent death and the hubbub, Frank looks at Peter and says, “Why am I getting such an amazing reception? Is it always like this?!”

Peter exclaims, “No, not at all! You’re just the oldest person we’ve ever welcomed into Heaven!”

Frank blinks and says, “Nobody over 53 has ever entered heaven?”

St. Peter and Jesus look at each other for a moment, confused. Peter looks back at Peter pulls out a scroll and starts skimming it. “Wait a moment,” he says. “Fifty-three? Our records say you’re two hundred and six!”

Frank is puzzled and asks, “How do you figure that out?”

“Well,” St Peter relies, “We couldn’t find your date of birth in the records, so we just totalled all your billable hours.”

2. A father is listening to his young daughter say her bedtime prayers. She said, “God bless Mummy, and God bless Daddy, and God bless Grandma ... and goodbye, Grandpa” ...

The father looks startled. “Why did you say goodbye Grandpa? he asks.

“I don’t know” she says. “I just felt like saying it.”

The next day, Grandpa drops dead.

“Well,” the father thinks, “that’s a strange coincidence.”

A month later, he’s listening again as she says her prayers.

“God bless Mummy and Daddy ... and goodbye, Grandma.”

Sure enough, the next day Grandma passes away.

Now the father knows this is more than coincidence – but he doesn’t dare tell his wife. After all, Grandma and Grandpa were her parents.

Months go by.

One night, he listens nervously as his daughter begins her prayers: “God bless Mummy ...”

She pauses, turns her head, looks straight at him, and says, "... and goodbye, Daddy."

"What?!" he blurts out. "Are you sure, sweetheart?"

She nods.

The man's heart starting pounding. He breaks out in a sweat and doesn't sleep at all that night.

The next day, he goes to work but locks himself in his office. He cancels all meetings, takes the phone off the hook, and waits for the inevitable.

He stays late – past 5pm – because he feels safer there. The hours crawl by. Finally, midnight arrives.

Still alive.

Relieved but completely exhausted, he drives home, drenched in sweat and shaken to his core.

His wife is waiting for him. "Where the hell were you all day?!" she demands.

"Don't yell," he says. "I've had an absolutely miserable day."

She replies, "You've had a miserable day? I'm the one who had a miserable day! First, the milkman dropped dead on the front steps ..."

3. A little girl asks, "Mum, can I take the dog for a walk around the block?" Her mum says, "No, because Lulu's in heat."

"What does that mean?" asks the girl.

"Go ask your father."

The little girl goes out to the garage and says, "Dad, can I take Lulu for the walk around the block? I asked Mum, but she said Lulu's in heat and I should ask you."

Her dad takes a rag, soaks it in petrol, and rubs the dog's backside to disguise the scent. "Okay, you can go now but keep Lulu on the lead and only go around the block once."

The little girl leaves and returns a few minutes later with no dog on the lead. The dad says, "Where's Lulu?"

And the little girl says, "She rang out of petrol halfway around the block, so another dog is pushing her home."

Nothing in writing – it's a big risk!

When, following a dispute, a partnership is dissolved, it is usual for the courts to order that the assets are sold on the open market. But, in the case of *Cobden v Cobden*, the Court of Appeal decided a Syers order, permitting one partner to buy out the other(s) at a Court-determined fair value, was appropriate.

Matthew and Daniel Cobden, brothers, ran a large-scale dairy in Somerset. While they held equal shares, there was no written partnership agreement. In such circumstances, a partnership can be dissolved under the Partnership Act 1890 if one partner serves notice of dissolution on the others.

The relationship had irretrievably broken down and Matthew gave notice of dissolution. He claimed estoppel on the basis there was an understanding that Daniel would, at some point, leave the partnership and would be bought out by Matthew.

A valuation resulted in Matthew offering £3m for Daniel's share but this was rejected and Daniel offered to buy Matthew's share for £3.82m.

Previously, the Court of Appeal made a Syers order in the case of *Bahia v Sindhu* which ruled that such an order could only be made in exceptional circumstances, a ruling which is binding on the High Court.

The Court of Appeal:

- Accepted that there was an understanding that Matthew was entitled to buy Daniel's share when the partnership came to an end.
- Recognised Matthew's individual efforts in developing the business.
- Determined that Matthew had established an 'equity' whereby an order for sale of the partnership assets would be unfair and unjust.
- Noted the effect a sale would have on employees and customers, the costs of a sale and the adverse tax consequences which would arise.
- Ruled that, even where the other partner had offered a sum greater than offered in return and even where a sale could result in a greater return, the court is entitled to act on equity.

The Court therefore granted a Syers order in favour of Matthew.

The granting of a Syers order is quite unusual, however, it highlights the importance of having a written partnership agreement which governs disputes and sets out a framework that would avoid dissolution.

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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CHAVEREYS

CHARTERED ACCOUNTANTS