CHAVEREYS

CHARTERED ACCOUNTANTS & FINANCIAL ALCHEMISTS

Monthly Farming Update

September 2026

Policy issues

1. The Food Foundation has reported that the UK's failure to invest in domestic horticulture has left it reliant on fruit and vegetables imported from countries more vulnerable to climate change. As a result, the UK is vulnerable to price food shocks such as climate change, geopolitical instability and volatile global markets. The UK has one of the lowest food self-sufficiency ratios among large western European countries. Various self-sufficiency ratios are carrots 94 per cent; green beans 47 per cent; lettuce 47 per cent; mushrooms 45 per cent; onions 39 per cent; broccoli 35 per cent; tomatoes 16 per cent; and peppers 7 per cent.

Reform

1. Defra has reported that 1,188 agreements have been offered to farmers in Window 1 of the Sustainable Farming Incentive 2026 by early August.
2. Defra has announced 'additional funding' to 'help farmers cope with drought'. £15 millions will be 'pumped into the Sustainable Farming Incentive'. The funding will facilitate the construction of between 12-18 reservoirs, assuming the usual contribution limit, roughly 6 per cent of what the CLA considers the country needs. Further, this is not new funding. It will be sourced from other areas of Defra's farming budget so farmers will pay the price one way or another.
3. Data has been published on Countryside Stewardship and Sustainable Farming Initiative payments:
   - The total paid in 2025 was £1.82 billions, with £912 millions paid to Countryside Stewardship agreement holders and £908 millions paid to Sustainable Farming Incentive agreement holders.
   - Countryside Stewardship payments increased by 35 per cent compared to 2024.
   - Countryside Stewardship Capital Grants increased from £91 millions to £134 millions.
   - Countryside Stewardship Higher Tier payments increased from £166 millions to £271 millions.
   - Countryside Stewardship Mid Tier payments increased from £386 millions to £464 millions.
   - Countryside Stewardship Wildlife Offer payments increased from £34 millions to £42 millions.
   - Sustainable Farming Incentive 2023 payments fell from £563 millions to £518 millions.
   - The top actions in 2025 were herbal leys; sheep netting; winter bird food on arable and horticultural land; permanent grassland with very low inputs; legume fallow; flower-rich margins and plots; two-year sown legume fallow; and management of species-rich grassland.

4. The Welsh Government has encouraged farmers in the Sustainable Farming Scheme who are struggling to meet requirements because of the weather to apply for a temporary derogation by supplying photographic evidence showing the condition of the crop.
5. The Capital Production and Efficiency Grant scheme in Wales has opened with funding available for climate adaptation measures such as boreholes, water harvesting equipment and ventilation systems including fans for cattle housing.
6. The Scottish Government is to make available £14.25 millions as part of the next round of the Future Farming Investment Scheme with grants of up to £20,000 to support a range of initiatives. However, the first round of funding was oversubscribed by £63 millions with 5,900 applications being rejected.

Grants/regulations/legislation/environment

1. The National Drought Group has added the East Midlands, Lincolnshire, Northamptonshire, Kent, East Sussex, Solent and the South Downs to the areas in drought status. 71.3 per cent of England is now officially in drought affecting 45 million people with over 27 millions living under restrictions on water use. July has been the driest in 190 years.
2. The Game and Wildlife Conservation Trust has issued a 7-point plan to counter the risk of wildfires:
    - Give the Ministry of Housing, Communities and Local Government, which oversees the Fire Service, and Defra separate responsibility for wildfire risk and mitigation to ensure proper accountability.
    - View wildfires as having social and economic, as well as environmental, costs.
    - Manage the fuel load as this defines the spread, intensity and success of suppression.
    - Make the heather burning on deep peat licensing process fit for purpose to allow for fuel load reduction. Natural England's strategy focuses on recovering nature through restoring natural processes but this is at direct odds with risk-assessed fuel load removal and management.
    - An immediate assessment of the percentage of peatlands that can be rewetted and can be depended upon as a wildfire mitigation tool.
    - Require all rewilding, peatland restoration and carbon code projects to have an effective wildfire risk assessment and active management plan.
    - Peatland restoration policy to focus on climate-aware zoning and adaptive management.
3. RABI has launched Emergency Drought Grants for England and Wales with a total of £2 millions available. Applications may begin on 7 September with up to 200 grants of £2,000 available in each of the five regions. The grants are to provide flexible financial support for personal and household living costs.

4. Researchers at the James Hutton Institute have produced a practice guide for assessing the types of value associated with nature. The guide is intended to help evaluate the economic, social and cultural benefits provided by nature within a landscape and will help land managers, local communities and regional land use partnerships identify the types of value associated with natural resources on the land they manage. The guide, 'Using the Natural Capital Valuation Toolkit: A Practice Guide for gathering holistic on-the-ground values' is free and available on Zenodo.

5. Data has been published on butterfly species in the UK and England in 2025:

    - The index of all-species has declined over the long-term by 18 per cent in the UK and by 19 per cent in England.
    - Habitat specialist species have declined by 41 per cent in the UK and by 43 per cent in England.
    - The abundance of butterflies in woodland has fallen by 57 per cent while woodland specialists have declined by 60 per cent in the UK and 62 per cent in England.
    - In the short-term, 8 per cent of the 50 UK species and 49 England species have declined. In the long-term, 40 per cent of the UK species and 43 per cent of the England species have fallen.
    - In the UK, in habitat species, the greatest declines have occurred in the heath fritillary; wood white; small-pearl bordered fritillary; grayling and pearl-bordered fritillary.
    - The largest long-term increases in habitat species have occurred in the black hairstreak; large heath; silver-spotted skipper; dark-green fritillary; silver-washed fritillary; and purple emperor.
    - In generalist species, the largest declines have been in the small tortoiseshell; wall; and white-letter hairstreak. The largest increases have been in ringlet; comma; and holly blue.

6. Farming Connectivity firm, Farmer Charlie, has obtained a grant of £199,000 from the UK Space Agency to develop affordable satellite-run sensors to help farmers invest in precision agriculture as part of its Gardens, Allotments and Urban Farming Facilitator project. The sensors are designed to work in rural areas with poor or no internet coverage.

7. The results of the Allerton Project have been published. The report, with assistance from Andersons and funded by Nestlé, aims to build an evidence-based business case for regenerative agriculture by modelling the impact of an initial, 5-year regenerative transition on three arable farms in East Anglia, one with loamy soil, one with clay soil and one with sandy soil. The report can be accessed at allertontrust.org.uk/projects/nestle and is titled From Risk to Reward.

8. The Farming Innovation Programme has made available £20 millions to fast-track field robots that can plant, tend and harvest crops.

9. The Scottish Government has announced grants of up to £20,000 for farmers and crofters to invest in and modernise their operations. Most applicants will be entitled to up to 50 per cent of eligible costs but new entrants will be entitled to up to 80 per cent.

Other matters of farm finance and tenure

1. Thrings, solicitors, have reported on the National Planning Policy Framework as it affects rural businesses and farmers:
   - Benefits for domestic food production, animal welfare and the environment will be given substantial weight in applications seeking to modernise farms.
   - Development for agriculture, horticulture, forestry, nature conservation and/or enhancement has a default 'yes' unless the benefits are outweighed by adverse effects.
   - Green belt policy has been widened to take in agricultural development on a broader scale.
   - Improving the capacity and security of water supply for agricultural users now carries substantial weight and applicants should not be required to demonstrate an overall need for new infrastructure.
2. The new EU Packaging and Packaging Waste regulation has come into force. Each packaging unit must hold a Declaration of Conformity and technical documentation evidencing compliance in order to trade legally in the EU and Northern Ireland. The regulation includes a strict threshold of perfluoroalkyl and polyfluoroalkyl substances in food-contact packaging. The legislation covers transport packaging such as pallets, containers and crates. At least 40 per cent of transport packaging must be reusable within a reuse system, this increases to 100 per cent for movements within a single Member State or within the same business group.
3. The Energy and Climate Intelligence Unit has analysed AHDB data and concluded that the drought will cost British farmers £550 millions, up from its initial estimate of £390 millions.
4. NatWest is preparing to offer emergency loans to farmers given the effects of drought conditions. It has reported a 22 per cent surge in farmers' overdraft usage compared to the same time last year. Since this announcement, Lloyds has also introduced a package of measures to assist farmers.
5. The Agricultural Price Index for June for outputs fell by 4.3 per cent, compared to a year ago, and by 0.6 per cent compared to May. The index for inputs increased by 6.1 per cent, compared to a year ago, but fell by 1.3 per cent compared to May.
6. According to Ceres Property, by the end of the half year, marketed land is about 20 per cent down on 2025.
7. Inheritance Tax receipts in June totalled £871 millions, the highest ever June sum. Receipts in the 3 months to June totalled £3.2 billions, up £100 millions on last year.

Product prices

A. Market background

1. Sterling closed marginally down against the Euro and marginally up against the US Dollar this month. Having opened the month at 85.5p per Euro, Sterling dipped to 85.8p and rose to 85.0p but eventually closed the month at 85.7p per € (0.2p weaker overall). Against the US Dollar, Sterling opened at 74.2p per $ and fell to 74.5p before three weeks of improvement saw it peak at 73.2p; a change of fortune in the final week resulted in an August close of 73.8p per $ (up 0.4p).
2. The gold price rallied for much of the month but softened in the final week; opening at £3,007 per troy ounce, the average price climbed to a peak at the end of week three of £3,446, before falling back to close the month at £3,289 (up £282 overall).
3. Crude oil prices fell back in the early stages of the month but regained traction, as the Strait of Hormuz tension escalated once more, and recovered. Daily swings remained small, and the overall trend was marginally upwards. Brent Crude opened at $89.83 per barrel and initially fell to a low of $78.15 before climbing to peak at $94.57, falling back to $85.83 and eventually closing at an average of $90.83 per barrel, up $1.00.

B. Crops

1. The cereals market made significant gains this month, the main driver of which was the resurging conflicts in the Black Sea region, with missile strikes affecting grain export facilities and denting trader confidence in this season's Black Sea wheat supply; this was further accentuated by commodity traders banking profits. Meanwhile, the ongoing hot and dry weather in Europe continued, with minimal respite, leading to further reductions in predicted maize yields, whilst in the US the position was similar with maize yield forecasts being cut significantly. In contrast, the Australian government has increased its predictions for cereals this season following some welcome rain. Milling wheat premiums, whilst still volatile, dropped back to a range of £10 – 15 per tonne. Feed wheat futures in the short and medium term both fell initially but then rose sharply to close the month significantly up, whilst long-term outlook remained flat; by late August, deliveries for November 2026, and 2027 were £212/tonne (+12) and £205/tonne (+8) respectively, with November 2028 deliveries opening and closing the month at £202/tonne. Oilseed rape prices have also gained, albeit marginally, on the back of the Black Sea export issues, reduced US soya yield forecasts and the bolder crude oil price.

   Average spot prices in late August (per tonne ex-farm): feed wheat £200 (+14); milling wheat £212 (+9); feed barley £178 (+13); oilseed rape £435 (+3); feed peas £218 (+12); feed beans £234 (+18).

C. Livestock

1. The average liveweight cattle prices for steers and heifers both closed down, despite a mid-month recovery. The average steer price opened at 347p/kg lw and fell to 341p/kg; after bouncing back to 345p/kg, it fell again to close the month at 336p/kg lw (down 11p to sit 27p/kg below the average a year earlier). The average finished heifer price did not fall quite so far: opening at 360p/kg lw, it fell to 356p/kg and rose to a mid-month peak of 364p/kg, before falling back to close the month at 352p/kg (down 8p overall to sit 28p below the average a year earlier). The average dairy cow price held its volatile edge but closed up overall: falling from an opening position of £1,867 per head to a low of £1,611 in the opening week, it rose to peak at £2,147, dropped back to £1,817 but recovered to £2,106 per head where it closed the month (up £239 overall to sit £145 above the prior year average).
2. The average finished lamb price (new season SQQ liveweight) continued to fall this month, with a small mid-month recovery that was soon lost, in the tail-off of the transition from old to new season animals. From an opening average of 352p/kg, the average price fell to 320p/kg and climbed back to 330p/kg before falling for the remainder of the month to close at 315p/kg (down 37p, to sit 5p/kg above the average new season price a year earlier).
3. The average UK standard pig price (SPP deadweight) once again gained marginally in the month but fell back again. From an opening position of 178.3p/kg dw, it rose to 180.4p/kg but fell back to close the month at an average of 178.3p/kg (unchanged overall to sit 29.5p/kg below the previous year).
4. The initial average UK all milk price for June, released this month, was 34.41ppl, 0.01ppl above the revised May average of 34.40ppl (previously 34.35ppl) to sit 8.88ppl below the average a year earlier and 6.28ppl below the rolling 5-year average. The EU average milk price for June was over 3p higher at 37.65ppl, sitting 8.63ppl below the price a year earlier.

Other crop news

1. Latest harvest reports from AHDB shows:
   - Wheat yields are estimated to be 12 per cent below the 5-year average, coming in at 6.8t/ha.
   - Winter barley yields are on a par with the 5-year average at 6.9 t/ha.
   - Spring barley yields are averaging 4.6 t/ha, 19 per cent below the 5-year average.
   - Oats yields are averaging 4.4 t/ha, 17 per cent below the 5-year average.
   - Oilseed rape yields are estimated to be 19 per cent above the 5-year average at 4 t/ha.

2. Data has been published on cereal stocks in England and Wales as of June, with comparisons to a year earlier:
    - Wheat stocks totalled 351,000 tonnes, down 46 per cent. On-farm stocks were 3 per cent of production, down from 6 per cent.
    - Barley stocks stood at 111,000 tonnes, down 18 per cent. On-farm stocks as a percentage of production were unchanged at 3 per cent.
    - Oats stocks totalled 39,000 tonnes, down 24 per cent. On-farm stocks as a percentage of total production were 5 per cent, down 1 per cent.
3. Data has been published on cereal and oilseed areas on 1 June, with comparisons to a year ago:
    - The total area of cereals fell by 5.1 per cent to 2.358mha.
    - The area of wheat fell by 1.8 per cent to 1.497mha. All regions saw decreases apart from the Northwest and Merseyside. The largest fall was 3.1 per cent in the East Midlands.
    - The barley area fell by 9.2 per cent to 673,000 ha. Winter barley rose by 1.6 per cent to 307,000 ha but spring barley fell 16.7 per cent to 366,000 ha, the lowest level since 2014. The East Midlands recorded the largest overall fall at 12.1 per cent.
    - The oats area fell by 20.9 per cent to 129,000 ha, the lowest since 2017.
    - The rye area increased by 12.8 per cent to 31,000 ha while mixed grain and triticale grew by 4.3 per cent to 276,000 ha, the highest since 2023. The largest increase was in Yorkshire and the Humber, up 41.2 per cent.
    - The linseed area increased by 46.1 per cent but the borage area fell by 5 per cent.
4. The United States Department of Agriculture has reported that world grain production is estimated to be down 2.2 per cent in 2026 to 2.95 billion tonnes. Stocks are estimated to be down 4.4 per cent, the equivalent of 95 days' use, down 4 days on 2025. Rice production is down 1.5 per cent. Production of oilseeds is estimated to be up 3 per cent but stocks are down 3.3 per cent, 87 days' use.
5. Frontier Agriculture is offering a new oilseed rape Establishment Risk Share for harvest 2027:
    - OSR Establishment Risk Share (50 per cent): Frontier bears 50 per cent of the risk association with the growing of the crop, subject to 3 conditions:
        - Frontier's approved seed must be purchased and sown between July 15 and September 15.
        - An approved comparison crop must be sown alongside the oilseed rape.
        - The grain must be sold on a linked produce of area contract.
    - OSR De-risking Partnership (100 per cent risk removal): there is 1 additional condition:
        - Use Frontier agronomy service for the contracted crop.

6. Heineken UK has launched a regenerative malting barley programme in partnership with maltsters Muntons and Boortmalt, barley merchant Cefetra, and independent agronomist Soil Capital.
7. The Agricultural Price Index for June increased by 7 per cent for wheat, compared to a year earlier, 5.5 per cent for oilseed rape, 35 per cent for forage plants, 4.9 per cent for fresh vegetables and 0.6 per cent for fresh fruit but there were falls of 3.5 per cent for barley, 7.3 per cent for oats and 0.1 per cent for potatoes. Compared to May, there were increases of 7.6 per cent for oats, 0.2 per cent for forage plants and 1.9 per cent for fresh vegetables. However, there were falls of 0.6 per cent for wheat, 3.2 per cent for barley, 10.3 per cent for oilseed rape and 18.4 per cent for fresh fruit.
8. GB Potatoes and the CIPC Residues Monitoring Group have urged potato growers to submit their chloropropham residue sampling results before 31 August as, although it is no longer approved for use, residues can remain in stores and on equipment and 1 in 7 stores still return a detectable residue.
9. Regenerative farming Wildfarmed is to provide regen grains to Signature Brew for a new Czech-style pale lager Do It Right.
10. Elsoms has introduced Sparkler, a Group 4 soft wheat with the highest treated yield of any soft wheat on the AHDB Recommended List.
11. The National Potato Innovation Centre, part of the James Hutton Institute, has joined a partnership of the International Potato Centre, Egerton University and the Kenyan Agricultural and Livestock Research Organisation to form Genetic Acceleration through Artificial Intelligence for Root and Tuber crops – GAIN-RT – with the aim of accelerating innovation in potatoes and sweet potatoes from laboratory to farm.
12. Seed specialist Elsoms has joined the British Growers Partnership Scheme.
13. The Vegetable Genetic Improvement Network, a research study between Harper Adams University and Warwick University Crop Centre, is aiming to develop drought-resistant lettuce, brassica, carrot and onion crops. The researchers aim to identify traits and genes that enable some varieties to cope better with environmental stress.
14. The British Growers Association has now reported that the situation for brassica crops, including broccoli, cabbage and cauliflower, has become critical. Even where water is available, plants have stopped growing and yields will be half the norm at best.
15. Elsoms has acquired a comprehensive Halloween pumpkin range from Hybrid Seed Company.

16. UK fresh produce distributor Minor, Weir and Willis has reported a bumper green bean harvest despite the drought. In April, the company used precision drilling technology alongside fertilizer directly applied in the seed row. Trial data had identified varieties best suited to dry conditions while investment in on-farm reservoirs had provided extra resilience.
17. The British Onion Producers' Association has reported that plant population, bulb size and marketable yields have been badly affected in East Anglia, where 90 per cent of the British crop is grown, with rainfall levels 96 per cent below average. In July, only 2mm of rain fell in the region.
18. The latest forecast from the World Apple and Pear Association suggests EU production will be 9.5 million tonnes, down 16 per cent on 2025, 14 per cent below the 3-year average, and the lowest in the past 9 years. Production in Poland is expected to be down 30 per cent, France down 24 per cent, Germany down 11 per cent, Belgium down 25 per cent and the Netherlands down 17 per cent. However, production in Spain is expected to be up 8 per cent and Greece up 53 per cent.
19. British Apples & Pears Ltd has reported that the eating quality of fruit would be the best for many years although yields should be around the 5-year average.
20. A study by Munckhof Fruit Tech, Agromanager and five fruit growers is testing permanent RFID tags on fruit crates that last for at least 10 years and can be automatically read during harvest rather than paper labels which have to be applied every year.
21. Environmental charity the Green Alliance has suggested that expanding domestic horticulture to replace half of fruit and veg imports could generate an additional £1.9 billions for British farms. It has calculated that only 0.3 per cent of the UK's farmed area would be needed to raise overall food self-sufficiency to 66 per cent. Indoor production would account for 68 per cent of additional farmgate values.
22. Digipal has launched a new range of recyclable plastic crates with trackable Wiliot Bluetooth technology, called Diginest. The trackability of the crates is designed for businesses looking for more oversight into the location of assets across their supply chain.
23. Cranfield University has published Nitrogen Climate Smart: Cutting UK Agricultural Emissions Using a Farmer-Focused Theory of Change. The paper sets out a framework for future agricultural research that prioritises farmer participation, on-farm trials, peer-to-peer learning and supply chain collaboration. It argues that involving farmers from the start leads to research that is more relevant, more readily adopted and more likely to deliver environmental and economic benefits.
24. Naturipe Farms and Hortifruit have announced the expansion of the world's most comprehensive berry genetics platforms through a strategic collaboration with MBO.

25. Research undertaken by craft distillery Penrhos Spirits has revealed that Britons throw away over 12,000 tonnes of fresh blueberries every year, worth £163 millions at retail prices.
26. Water restrictions are starting to take their toll on growers in the Netherlands. A daytime ban on using surface water has been imposed between 6am and 10pm in an area between Amsterdam, Hilversum and Nieuwkoop as the flow rate of the River Rhine fell to 615 cubic metres per second, the lowest ever recorded. Growers in the greenhouse heartland of Westland have been denied nighttime water abstraction which could cost the growers up to €150 millions. Irrigation from dykes has been banned.
27. The REWE Green Farming Berlin store has installed greenhouses on the roof of the supermarket so as to grow salad leaves.
28. According to a recent crop report from Fresh Direct, hot weather has reduced pollination activity in tomato glasshouses with native bumble bees often staying in hives and keeping cool by fanning their wings. Also, tomatoes produce less pollen in high-temperature situations while much of the pollen can be sterile.
29. Researchers at Hebrew University, the Leibniz Institute of Plant Chemistry in Germany and Israel's Agricultural Research Organisation have uncovered a genetic mechanism in tomatoes that suggests that fertilisation may not be necessary at all and could lead to varieties that extend tomato production into colder months. In winter greenhouse experiments, the gene-edited plants produced more than 18 times as many fruits as regular plants early in the growing season and, by harvest, they yielded 6 times more ripe tomatoes and 10 times the total weight.
30. Paranova Print and Packaging is to invest £20 millions over the next 5 years to expand its fibre-based packaging operations beginning with a new purpose-built board facility in Godmanchester, Cambridge to meet demand for paper, carbonboard and fibre-based packaging solutions. The site will be the largest fibre-based facility in the UK.
31. Elizabeth Williams of the University of Warwick is conducting a research project, From Policy to Practice: Understanding How Farmer Decision-Making Influences the Adoption of Sustainable Soil Management Practices in England. She would welcome farmers and land managers completing a survey to assist in her research: https://warwick.co1.qualtrics.com/jfe/form/SV_06P9i0AgZnnRWzs.

Other livestock news

1. AHDB has conducted a detailed review into the relationship between the carcase price and the retail price. An econometric model has been used to compare the carcase price with average retail prices for rump steak and mince in the year to January 2025:
   - If a carcase price rises by 10 per cent, the retail price of rump steak rises by 3-6.5 per cent but only gradually over the ensuing 8-12 months.

- A 10 per cent increase in carcase price will result in a 3 per cent increase in the price of mince, often taking over a year to feed through.

2. Data has been published on livestock populations in England as of 1 June, with comparisons to a year earlier:

- The number of cattle and calves fell by 1.5 per cent to 4.8 million head.
- The breeding herd by 2.2 per cent to 1.6 million head. Within the breeding herd, the dairy herd fell by 2.4 per cent to 1.1 million head while the beef breeding herd fell by 1.8 per cent to 559,000 head.
- Pig numbers grew by 3.4 per cent.
- Breeding pig numbers grew by 2.8 per cent to 322,000 head with the female breeding herd up 3.4 per cent to 246,000 head.
- Numbers of fattening pigs rose by 3.4 per cent to 3.5 million head.
- The number of sheep and lambs fell by 2 per cent to 13 million head.
- Lamb numbers fell by 0.5 per cent to 6.5 million head while the female breeding flock fell by 3.7 per cent to 6.2 million head.
- Poultry numbers were static at 133 million birds.
- Broiler numbers grew by 0.2 per cent to 95.3 million birds, while breeding and laying bird numbers increased by 1.1 per cent to 30.5 million birds.
- Turkey numbers fell by 6.1 per cent to 2.6 million birds; duck numbers fell by 18.4 per cent; while geese numbers rose by 32.8 per cent.

3. AHDB has conducted research into the margins of buying and selling cattle at different intervals in the past few years:

- Over the past 3 years, average prices for 6-12 month-old store capital have ranged from £714/head to £1,429/head while prices for 12-18 month-old cattle have ranged from £970/head to £1,615/head.
- Assumptions in the model include:
  - Cattle purchases around May and November
  - Purchase price as a weighted average 6-12 month 4-week rolling store price; sale price is a weighted 12-18 month 4-week rolling store price.
  - Store cattle are kept on farm for 7.1 months.
  - Cost of production of £351.20/head.
- In a rising market, with purchase 3 November 2024 to 1 June 2025, average purchase price £876.58; average sale price £1,444.37; gross margin £216.59/head.
- In a falling market, with purchase 2 November 2025 to 3 June 2026, purchase price £1,269.06; sale price £1,483.71; negative margin £136.56/head.
- In a static market, with purchase 2 March 2025 to 5 October 2025, purchase price £1,154.14; sale price £1,524.59; gross margin £19.25/head.

4. Bluetongue BTV-3 cases reported in August have been in Devon (60); Cornwall (58); Somerset (6); Staffordshire (4); Powys (3); Lancashire (1); Dumfries and Galloway (1); North Yorkshire (1); Cardiff (2); Caerphilly (1); Carmarthenshire (1); Cheshire (2); Dorset (2); Herefordshire (1); Monmouthshire(1); Neath Port Talbot (1); Rhondda Cynon Taff (2) and Shropshire (1).

5. The first case of Bluetongue virus BTV-3 in Scotland has been reported in a sheep in the south-west of the country.
6. The Scottish Government has updated its movement rules for bluetongue virus in the Temporary Control Zone in South-west Scotland. With effect from 10 September, store, fattening and non-pregnant female animals will no longer need to be vaccinated to move to the disease-free area of Scotland.
7. Defra and Natural England have advised that 4,080 badgers were vaccinated in 2025, the highest area being East Sussex.
8. The European Commission has updated its outlook for beef, lamb and pork in 2026:
    - Production of beef and veal is forecast to fall by 2 per cent to 6.25 million tonnes.
    - Per capita consumption of beef is expected to decline by 1 per cent to 9.7kg.
    - Beef imports will increase by 12 per cent to 469,000 tonnes, the UK is the second largest supplier at 26 per cent.
    - Exports of beef will fall by 12 per cent to 440,000 tonnes.
    - Production of pigmeat is forecast to rise by 0.3 per cent to 22.1 million tonnes.
    - Per capita consumption is expected to remain unchanged at 33.1kg per person.
    - Imports will fall by 3 per cent 94,900 tonnes.
    - Exports are expected to fall by 0.5 per cent to 2.97 million tonnes.
    - Production of sheep meat is forecast to fall by 4 per cent to 478,800 tonnes.
    - Per capita consumption will fall by 2 per cent to 1.2kg per person.
    - Exports are set to decrease by 3 per cent to 35,800 tonnes.
    - Imports are expected to rise by 7 per cent to 189,400 tonnes.
9. Quality Meat Scotland has reported that the red meat industry was worth over £4.2 billions of output in 2025 and £1.3 billions of gross added value. Combined economic impact grew by 18.5 per cent with average prices up 30.3 per cent. The value of cattle, sheep and pig farming grew by 17.6 per cent to £1.9 billions while primary processing grew by 20.2 per cent to £1.36 billions.
10. Two bovine TB projects involving 28 farms and 12 veterinary practices are being extended in Wales after trialling herd-level measures including tighter biosecurity, changes to cattle purchasing and the voluntary removal of high-risk animals.
11. During July, with comparisons to a year earlier:
    - UK prime cattle slaughterings rose by 0.8 per cent to 163,000 head.
    - Sheep slaughterings fell by 5.3 per cent to 851,000 head.
    - Mutton and lamb production fell by 2.6 per cent to 20,000 tonnes.
    - Pig slaughterings rose by 5.8 per cent to 909,000 head.
    - Pig meat production rose by 5 per cent to 83,000 tonnes.

12. AHDB has published data on the cattle population in the EU:

- At the end of 2025, the cattle population was 71.58 million head, down 0.4 per cent on a year earlier and 9.7 per cent lower than in 2015, with falls occurring in every year since.
- The dairy herd stood at 19.02 million head, down 1.1 per cent on the year and 12.2 per cent on 2015.
- The suckler herd has remained static at 10.08 million head but is down 6.6 per cent on 2015.
- The number of heifers aged 1-2 fell by 1.8 per cent to 9.71 million head and is down 11 per cent since 2015.
- Cattle aged 1-2, which feed mostly into the slaughter pipeline over the coming year, fell 1.2 per cent to 14.3 million head and is down 11 per cent on 2015.

13. A study reported in MDPI Animals has suggested that clay additives reduce methane and ammonia but enhance the digestibility of fibre and organic matter. There can also be improvements in weight gain and milk fat yield. Analysis was undertaken of 38 controlled studies to evaluate the effects of clay supplementation on fermentation, digestibility, metabolic heath, and productivity. However, there is a variation in the impact depending on the inclusion level and the clay type.

14. The Agricultural Price Index for June shows increases of 22.1 per cent for sheep and lambs, compared to a year earlier, and 1.6 per cent for eggs but falls of 5.3 per cent for cattle and calves, 15 per cent for pigs, 0.9 per cent for poultry and 20.5 per cent for milk. Compared to May, there was an increase of 1.2 per cent for sheep and lambs but falls of 0.6 per cent for cattle and calves, 0.8 per cent for pigs and 2.7 per cent for poultry.

15. During June, milk available to processors fell by 9.3 per cent, compared to May, to 1,255 million litres. Liquid milk production fell by 6.6 per cent to 479 million litres; cheese production fell by 6.4 per cent to 43,100 tonnes; and butter production fell by 14 per cent to 17,100 tonnes.

16. Milk price changes include Arla's conventional milk price up 0.88ppl to 38.15ppl; Muller up 0.5ppl to 35ppl; the First Milk manufacturing litre up 2ppl to 34.85ppl; Barber's Cheesemakers up 2.5ppl to 36.18ppl followed by a further increase of 1.56ppl in September.

17. Saputo, the Canadian owner of Cathedral City, Wensleydale, Davidstow, Country Life and Clover, is to sell the business for £988 millions to Lactalis, the owner of President, Galbani, Parmalat and Leerdammer.

18. During July, average butterfat fell by 1.4 per cent, compared to June, but increased by 0.6 per cent, compared to a year ago, to 4.18 per cent. Average protein fell by 0.5 per cent compared to June, but increased by 0.6 per cent, compared to a year ago, to 3.38 per cent.

19. MDPI Animals has reported on a study in Navarra, Spain into the use of vegetable by-products as cattle feed. The conclusion is that such use can significantly reduce emissions while also preventing useful materials from becoming waste. In the study, 24 male young bulls were reared, 12 were finished on the vegetable by-product diet that also included fodder and grain while the other 12 were finished with a conventional diet based on concentrate and straw. Results showed a larger carbon footprint of meat from animals fed the conventional diet, 117.84kg CO_2e compared to 42.01kg of CO_2e from the vegetable fed group.

20. The Sustainable Control of Parasites in Sheep and Control of Worms Sustainably have advised farmers that applying dips, insecticides or repellents to their livestock will offer no protection against bluetongue virus transmitted by midges and could have adverse environmental, ecological and resistance impacts.

21. A new Danish government has placed environmental sustainability and animal welfare at the centre of its agricultural agenda. Denmark has a pig population of 12.3 million head, the third largest in Europe with 85 per cent of production exported. A carbon tax on livestock emissions will be introduced in 2030 while measures will increase land dedicated to wildlife and nature restoration. The minimum weaning age will be raised from 3 to 4 weeks; tail docking will be phased out and there will be tighter restrictions on antibiotic use. In the longer term, permanent sow confinement will be banned.

22. The full economic cost of production of pork in the 3 months to June is estimated to be 201p/kg dw. The margin per slaughtered pig is estimated at -£20.44 or -22p/kg dw.

23. African swine fever has been detected in two wild boar piglet carcasses in south-east Finland, close to the Russian border. In the period 1 January to 14 August, there have been 271 reported cases in wild boar and 6,246 outbreaks in domestic pigs resulting in the slaughter of 61,528 animals.

24. According to the UK Health Security Agency, the latest outbreak of salmonella ‘may be linked to eggs imported from outside the UK’.

25. During July, with comparisons to a year earlier:

- UK commercial layer chick placings rose by 1.5 per cent to 3.5 million chicks.
- Broiler chick placings rose by 4.4 per cent to 102.2 million chicks.
- Turkey poult placings rose by 47 per cent to 1.6 million chicks.
- Turkey slaughterings rose by 13 per cent to 700,000 birds.
- Broiler slaughterings rose by 0.1 per cent to 99.2 million birds.
- Total poultry meat production rose by 2.7 per cent to 179,800 tonnes.

26. Bernard Matthews is to close it Derby processing facility with 600 jobs at risk. The facility mainly focuses on chicken products.

27. Harbro has purchased Cargill Animal Nutrition and Health business in Dalton, North Yorkshire.

VIII Inputs/Supply businesses

1. Academic research published by the Journal of Agricultural Economics has suggested that a Carbon Border Adjustment Mechanism, which the Government plans to introduce in January, will result in a fall in the income of farmers of 8 per cent. The plan will charge tariffs on non-European imports and will result in a doubling of mineral fertilizer prices. While initially farming businesses will have 'free allowances' for the amount of fertilizer they can import without tariffs, these will be phased out over the next decade.
2. Latest figures from the Horticultural Trades Association show that UK growers and plant producers have reduced peat use to 21.8 per cent of growing media, down from 34.4 per cent in 2024 and 39.5 per cent in 2023. 33 per cent of growers are now peat-free.
3. Dr Manuel Frank of Aarhus University in Denmark has been awarded a £1.9 million Royal Society Fellowship grant to explore sustainable agricultural practices at the University of Nottingham. The award follows his research into biological nitrogen fixation in plants with the aim of reducing the use of synthetic nitrogen fertilizers.
4. The Agricultural Price Index for June shows a fall of 0.8 per cent for veterinary services, compared to a year earlier, but increases of 0.8 per cent for seeds, 20 per cent for energy and lubricants, 25.9 per cent for fertilizers, 8.7 per cent for chemicals, 2.1 per cent for animal feeding stuffs, 5.3 per cent for equipment maintenance and 1.5 per cent for buildings maintenance. Compared to May, there were falls of 6.3 per cent for energy and lubricants, 1.9 per cent for fertilizers, 0.1 per cent for chemicals and 0.2 per cent for animal feeding stuffs but an increase of 0.2 per cent for seeds.
5. Fargro has been granted Extension of Authorisation for Minor Use for Romeo for the management of scab, powdery mildew and botrytis on apples, pears, medlars and quince.

Marketing

1. Grocery price inflation in the 4 weeks to 9 August was up 2.1 per cent but down on the 2.6 per cent increase in the previous month and the lowest since October 2024.
2. Latest data concerning the takeaway and delivery markets show:
   - Takeaway and delivery accounts for 26 per cent of out-of-home spending and was worth £17.7 billions in the past year but is down 2 per cent or £400 millions. 40 per cent is due to people making fewer transactions; and 16 per cent is due to people completely stopping this type of spend.
   - 80 per cent of consumers are now extremely or very concerned about the cost of living, up 8 per cent on last year.
   - 72 per cent of buyers regard takeaways as a luxury.

- Red meat takeaway and delivery has only fallen 0.1 per cent with lamb up 13.9 per cent, driven by kebabs, but pork spend is down 5.2 per cent and beef spend 2.3 per cent.
- Delivery apps are now used by 20 per cent of people with the market worth £2.6 billions, up 0.5 per cent. Lamb spend grew by 36.7 per cent and pork by 54.7 per cent but beef fell by 18 per cent.

3. Love Lamb Week will take place this year from 1-7 September.
4. According to Worldpanel by Numerator, in the 12 weeks to 12 July, the total grocery market increased by 2.5 per cent by value, compared to a year earlier, while the multiples grew sales by 2.5 per cent. Ocado led the way with growth of 14.1 per cent, followed by Lidl at 8.6 per cent, Co-op at 5.6 per cent and Morrisons at 3.5 per cent. Asda sales fell yet again, by 1.1 per cent.
5. Love British Food is partnering with Red Tractor to boost demand for British produce within the food service, retail and public sector. Both organisations will use their networks to encourage more farmers, growers, producers and caterers to take part in British Food Fortnight which runs from 26 September to 11 October.
6. According to Worlpanel by Numerator UK, in the 12 weeks to 9 August, with comparisons to a year ago:

- Beef retail recorded a 2 per cent volume decline but a 3.3 per cent spend increase.
- Sales of beef mince fell by 7.8 per cent but steak volumes increased by 7.8 per cent.
- Volumes of processed beef grew by 9.9 per cent with burgers and grills up 13 per cent and sliced cooked meats up 3.3 per cent.
- Added value volumes grew by 0.5 per cent although spend was down 0.3 per cent.
- Lamb volumes fell by 6 per cent although spend increased by 2.4 per cent.
- Primary lamb volumes declined by 10.5 per cent with a spend fall of 2.1 per cent. Lamb leg roasting was down 30.1 per cent and lamb shoulder roasting down 10.1 per cent.
- Lamb chops fell 12.3 per cent and mince 5.7 per cent but volumes of lamb steak rose by 6.7 per cent and stewing cuts by 24.2 per cent.
- Processed lamb volumes fell 7.5 per cent with burgers and grills down 5.3 per cent. Added value also fell, down 1.3 per cent.
- Pigmeat volumes fell by 0.9 per cent while spend rose 0.5 per cent.
- Primary pigmeat volumes increased by 0.8 per cent with mince up 26.6 per cent and belly up 8.8 per cent.
- Processed pigmeat volumes fell by 2.9 per cent with bacon rashers down the most.
- Added value volumes grew by 6.6 per cent with sous vide up 13 per cent and marinades up 8.9 per cent.

7. GrubMarket, an 'AI-powered technology enabler and digital transformer of the American food supply chain industry' has acquired JR Holland, a leading distributor in Northeast England and Scotland. JR Holland offers over 3,000 fresh products including over 1,000 varieties of fruit and vegetables and operates a fleet of 32 temperature-controlled vehicles.

8. The Co-op has launched 'Fresh Mondays' offering shoppers 50 per cent off a range of fresh produce including blackberries, strawberries, potatoes, apples, grapes, raspberries, tomatoes, asparagus and peppers.

9. Freight provider Davies Turner has launched a seasonal 21-day shipping service for sensitive goods between China and the UK. The Polar Silk Road service, provided by shipper Sea Legend, will link Ningbo and Felixstowe, taking in 6 major Chinese ports. The service will follow the Northern Sea Route which is open during the Arctic navigation season.

10. According to NIQ Homescan POD, Total GB, in the 12 weeks to 8 August, with comparisons to a year earlier:

    - Milk volumes declined by 1.3 per cent although spend increased by 1.2 per cent. Whole milk volumes again saw the only increase, up 1.4 per cent.
    - Volumes of cows' cheese grew by 2.5 per cent with spend up 0.6 per cent. Volumes of other cows' cheese grew by 13 per cent with cottage cheese up 43 per cent. Specialty and continental cheese rose by 4.1 per cent, snacking by 3.5 per cent and processed by 1.1 per cent. However, stilton, British blue, British regionals and cheddar all registered declines.
    - Butter volumes fell by 2.6 per cent and spend by 6.7 per cent. Once again, only block butter volumes increased, by 1.8 per cent.
    - Yoghurt, yoghurt drinks and fromage frais volumes grew by 7.1 per cent with spend up 9.3 per cent. Strongest performers were standard plain yoghurt, up 19.7 per cent; healthy yoghurt, up 15.1 per cent; and fat free yoghurt, up 9.7 per cent.
    - Cream volumes fell 1.9 per cent but spend was up 0.5 per cent. Volumes of double cream grew by 1.3 per cent and whipping cream 1.2 per cent.

11. The Association of Independent Meat Suppliers has commissioned a specialist French administrative lawyer to mount a legal challenge against the requirement that Official Veterinarians must be assisted by operators to move hanging carcases within trailers during border inspections under rules announced by Defra with only 4 weeks' notice.

12. AHDB has reported data on red meat imports and exports in the 3 months to June:

    - 20,600 tonnes of sheep meat was exported, down 16 per cent on the March quarter and down 9 per cent on a year earlier.
    - In the first 6 months, exports totalled 45,300 tonnes, up 6 per cent by volume and 16 per cent by value.
    - Imports in the June quarter totalled 19,600 tonnes, up 12 per cent on the first quarter and 1 per cent on a year ago.

- In the year to date, imports reached 37,100 tonnes, up 1.5 per cent by volume and 19 per cent by value.
- In the June quarter, beef exports totalled 27,800 tonnes, down 9 per cent on the March quarter and 1 per cent on a year ago.
- In the first 6 months, exports reached 58,400 tonnes, 8 per cent up by volume and 22 per cent up by value.
- Imports in the June quarter totalled 71,800 tonnes, up 2 per cent on the March quarter but down 1 per cent on a year ago.
- In the first 6 months, imports reached 142,300 tonnes, up 1 per cent by volume and 11 per cent by value.

13. DP World is to take over 6 contract logistic sites from GXO Logistics, 5 in England and 1 in Northern Ireland, which provide ambient, chilled, frozen and bonded storage for Asda, Sainsbury's and the Co-op. The transfer of the sites was a regulatory condition associated with GXO's takeover of Wincanton.
14. According to Worldpanel by Numerator, in the 12 weeks to 10 August, food sales at Marks & Spencer rose by 15.9 per cent, compared to a year earlier, the fastest growth in the sector.
15. Branston has launched 'Buttery Tates', buttered baby potatoes which can be microwaved in the pouch in which they are packed.
16. According to Worldpanel by Numerator, in the 4 weeks to 9 August, frozen fruit sales grew by 48.1 per cent, compared to the same period last year.

Miscellaneous

1. IGD's Thriving in a Volatile World, its third annual resilience report, has reported that over 90 per cent of industry leaders and academics believe the risk to the UK food system has increased over the past 12 months. Geopolitics, followed by climate change, water and agriculture are identified as the highest risks while 100 per cent of those surveyed believe government policy has damaged food resilience over the past year.
2. The Fresh Produce Consortium has launched freshproducts.co.uk, a national campaign platform giving the public, industry and MPs the tools to act on the mounting risks facing Britain's food security.
3. Claire Donovan is to replace Ali Capper as executive chair of British Apples & Pears Ltd. She is a former technical director at G's and SHP Group, a former senior agronomist at M&S, and, most recently, the CEO of Modern Slavery Intelligence Network. She is also a board director of the Welsh Rugby Union.
4. Veg Power has joined forces with The Food Foundation, Felix, Community Fridge Network, Feeding Britain, Bread and Butter and Food Cycle to launch the 'Healthy Food Toolkit' which aims to maintain healthy eating as families experience increasing food costs.

5. The Landworkers' Alliance has warned that a lack of housing for new entrant farmers and food producers could be a major impediment to building food security. It has called for new government guidance for local planners.
6. The Chartered Institution of Horticulture is to hold a Skills Summit at the Royal Botanic Gardens, Kew on 4 November to discuss the state of skills and education across the sector.
7. The Society of Agriculture is holding the National Rural Planning Conference 2026 at the British Motor Museum, Graydon on 1 October. Booking is available at events@soc-ag.org.
8. Lidl has expanded its partnership with giving platform Neighbourly and food-sharing app Olio to nearly 200 stores allowing Olio's volunteers, Food Waste Heroes, to collect surplus food at the end of each day. Lidl estimates 5,000 tonnes of food waste will be distributed annually, equivalent to 11.9 million meals.
9. The 2026 Onion & Carrot Conference will take place on 26 November at the Leicester Tigers Conference Centre.

Postscripts

1. Four men are in the hospital waiting room because their wives are having babies. A nurse goes up to the first man and says, "Congratulations! You're the father of twins." The man says, "That's odd. I work for the Minnesota Twins!" Another nurse goes up to the second man and says, "Congratulations! You're the father of triplets!" The second man laughs and says, "That's weird. I work for the 3M company!" A third nurse goes up to the third man and says, "Congratulations! You're the father of quadruplets!" He says, "That's strange. I work for the Four Seasons Hotel!". As soon as he says that, the last man starts groaning and banging his head against the wall. "What's wrong?" the others ask. The man says, "I work for 7Up."
2. I met a Dutch girl with inflatable shoes last week, phoned her up to arrange a date but unfortunately, she'd popped her clogs.
3. Two Eskimos sitting in a Kayak were chilly; but when they lit a fire in the craft, it sank, proving once and for all that you can't have your Kayak and heat it.
4. Five surgeons were talking about their favourite patients. The first surgeon says, "Accountants are the best to operate on because when you open them up, everything on the inside is numbered." The second surgeon says, "Nah, librarians are the best. Everything inside them is in alphabetical order." The third surgeon says, "You have to operate on electricians. Everything inside them is colour coded!" The fourth surgeon smirks and says, "I prefer lawyers. They're heartless, spineless and gutless, and their heads and butts are interchangeable." After quietly listening to the entire conversation, the fifth surgeon pipes up and says, "I like engineers because they always understand when you have a few parts left over at the end."

5. I saw this bloke chatting up a cheetah, I thought “he’s trying to pull a fast one”.
6. A group of chess enthusiasts checked into a hotel and were standing in the lobby discussing their recent tournament victories. After about an hour, the manager came out of the office and asked them to disperse. “But why?” they asked, as they moved on. “Because,” he said “I can’t stand chess nuts boasting in an open foyer.”
7. Two campers are walking through the woods when a huge brown bear suddenly appears in the clearing about 50 feet in front of them. The bear sees the campers and begins to head toward them. The first guy drops his backpack, digs out a pair of sneakers, and frantically begins to put them on. The second guy says, “What are you doing? Trainers won’t help you outrun that bear.” The first guy gives him a long look and says “I don’t need to outrun the bear. I just need to outrun you.”
8. Dave pulled up a stool at his favourite bar and announced, “My wife must love me more than any woman has ever loved any man!” The bartender inquired, “What makes you say that?” Dave beamed with pride, “Last week, I had to take a couple of sick days from work...” “She was so thrilled to have me around, that every time a mail or delivery person came by, she’d run down the driveway waving her arms hollering, ‘My husband’s home! My husband’s home!”

Mind the gap. Wish you would!

28 October. It's not far away, speculation as to tax changes is building and will be a frenzy once October arrives.

The latest rumour, not for the first time, is that the rate of Capital Gains Tax will increase with many of Mr Burnham's supporters wanting an increase to 40 per cent. However, the Treasury's own modelling suggests that an increased rate will collect less tax not more as investors will simply sit on their hands and postpone sales which would realise taxable gains. Already the rate (24 per cent) is higher than the reported 'tipping point' of 22 per cent.

So, what can Messrs Burnham and Healey do? After all, they have to raise money to fund more welfare, more increases to the minimum wage, more pensions due to the triple lock and higher inflation, more NHS and defence spending and, last but not least, higher pay for public sector employees. The shopping list is endless.

Well, how about asking the country's revenue raiser, HM Revenue & Customs to get its act together?

The latest figures on the 'tax gap' have been published, covering 2024/25. Here are the results:

- The 'tax gap' is estimated to be £59.2 billions, or 6.4 per cent of theoretical tax liabilities.
- Some sectors have improved. The VAT gap has steadily reduced to 6.6 per cent; the gap for Income Tax, NIC and CGT is now 4 per cent; and the gap for excise duty has fallen to 5.5 per cent.
- However, the 'tax gap' for Corporation Tax has now risen to 18.1 per cent.
- Of the total 'tax gap', Corporation Tax accounts for 35 per cent; Income Tax, NIC and CGT also account for 35 per cent; and VAT accounts for 20 per cent. That is a staggering £53 millions, every year.

Who are the guilty parties? Strangely, the most well-behaved sector is that of individuals who only account for 4 per cent. Yet, by far the worst group is the small business sector which accounts for 62 per cent!

Although the 'tax gap' percentage has fallen from 7.5 per cent in 2005/06 to 6.4 per cent in 2024/25, total theoretical tax liabilities have increased from £438 billions to £924 billions. So, in absolute terms, the 'tax gap' has increased from £32.8 billions to £59.2 billions

Over the past 20 years, there have been massive changes in technology and regulations and, it has been suggested, HMRC has, at is disposal, the most powerful computer in the land.

So, instead of squeezing the 'better off' until they have all emigrated, concentrate on those who are cheating the system and, to use one of the Government's favourite sayings, 'not paying their fair share.'

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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CHARTERED ACCOUNTANTS