



**CHAVEREYS**

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# MONTHLY FARMING UPDATE

# January 2024



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## I Policy issues

- 1 The Government has launched the Fresh Produce Supply Chain Review which will seek the views of industry on issues including the fairness of contracts between producers and purchasers in the sector and how supply chain data can be used to support transparency in the negotiation process. The consultation closes on 22 February.
- 2 The UK Government has published a 10-point plan for financing biodiversity. This includes:
  - Working towards a comprehensive package of actions on biodiversity finance from all sources, commensurate with the level of collective and national ambition and commitment, recognising the need for contributions from: all countries domestically, international contributions by developed countries and other countries and entities that can provide international public finance; international financial institutions; the private sector and philanthropy; as well as the essential role of partnerships.
  - A commitment to align financial systems and economies with pathways to become climate neutral, nature-positive, resilient and less polluting.
  - Working together to finance actions to close the biodiversity finance gap and support the effective implementation of the Kunming-Montreal Global Biodiversity Framework.
  - Ensuring coherent and reinforcing financing across climate change, biodiversity loss, desertification and pollution.
  - Ensuring a just, equitable and progressive transition to an economy that delivers benefits to all people.
- 3 Defra has published 'Delivering 30 by 30 on land in England', a policy document to protect 30 per cent of the UK's land by 2030.

## II Reform

No News!

## III Grants/regulations/legislation/environment

- 1 100 per cent of storm overflows across the water network in England have now been fitted with Event Duration Monitors which measure how, when and for how long a storm overflow is in operation.
- 2 A report published by The Heritage Fund has revealed that the £80 millions Green Recovery Challenge Fund supported over 150 environmental projects, created 2,630 jobs in green sectors and connected more than 400,000 people to nature. Projects included:
  - Greater Manchester Environment Fund – including creating floating reed islands in the Piccadilly basin.
  - Generation Green – the Youth Hostel Association enabled 115,000 young people from disadvantaged backgrounds to connect with nature through a facilitated day, residential trip or self-led experience.
  - Magdalen Environmental Trust Farm (Somerset) – funding was used to support the 'Axe Valley Oasis' project which runs nature visits for schools and charities.
- 3 The Smaller Abattoir Fund has opened for applications with £4 millions available. Maximum grants of £60,000 are available.

- 4 During November there were confirmed sightings of Asian Hornets in Rye and Tenterden, both in Kent.
- 5 The Scottish Government has allocated £180,000 to The Small Producers' Pilot Fund which will include support to two small-scale abattoir projects.

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

- 1 Average Farm Business Income in the year to February 2023 for cereal farms rose by 25 per cent, compared to a year earlier, to £150,400; dairy rose by 63 per cent to £229,200; pigs by 477 per cent to £67,900 and horticulture by 58 per cent to £95,600 but general cropping fell by 14 per cent to £125,200, lowland grazing livestock by 37 per cent to £21,600, less favoured area grazing livestock by 41 per cent to £25,400, poultry by 23 per cent to £105,900 and mixed by 8 per cent to £68,000. Overall, there was a 12 per cent increase to £96,100.
- 2 The total agricultural labour force in the UK on 1 June 2023 was 462,074, down 1.7 per cent on a year earlier. The total comprised 299,229 farmers, business partners, directors and spouses, down 0.9 per cent; 147,879 of which were full-time, up 0.4 per cent, and 151,350 of which were part-time, down 2 per cent; and 162,845 employees, down 3.3 per cent.
- 3 The Agricultural Price Index for October shows falls of 5.1 per cent for outputs and 10.4 per cent for inputs compared to a year earlier.
- 4 Data on agricultural land use in the UK on 1 June 2023 has been published. The total utilised agricultural area was 17 million hectares, 70 per cent of the total area of the UK; the croppable area was 6 million hectares, 36 per cent of the total. The area of arable crops fell by 1.1 per cent to 4.4 million hectares; cereals accounted for 71 per cent of the total at 3.1 million hectares; the wheat area fell by 5.1 per cent to 1.7 million hectares; the barley area increased by 1.9 per cent to 1.1 million hectares; the oilseeds area increased by 4.7 per cent to 418,000 hectares; the potatoes area fell by 9.9 per cent to 115,000 hectares; other arable crops covered 750,000 hectares with field beans increasing by 1.1 per cent and maize by 8.5 per cent. The area of horticultural crops fell by 5.2 per cent to 145,000 hectares with vegetables and salad for human consumption falling by 6.6 per cent to 100,000 hectares.
- 5 Data on Farm Business Income by type in England for the year to 28 February has been published:
  - Loss making - cereals 8 per cent; general cropping 19 per cent; lowland grazing livestock 26 per cent; less favoured area grazing livestock 17 per cent; pigs 23 per cent; poultry 18 per cent; mixed 19 per cent; horticulture 20 per cent.
  - £0K to £25K - cereals 10 per cent; general cropping 15 per cent; dairy 7 per cent; lowland grazing livestock 42 per cent; less favoured area grazing livestock 44 per cent; pigs 25 per cent; poultry 12 per cent; mixed 23 per cent; horticulture 39 per cent.
  - £25K to £50K - cereals 18 per cent; general cropping 13 per cent; dairy 6 per cent; lowland grazing livestock 16 per cent; less favoured area grazing livestock 22 per cent; poultry 9 per cent; mixed 12 per cent; horticulture 8 per cent.
  - £50K to £75K - cereals 12 per cent; dairy 10 per cent; lowland grazing livestock 8 per cent; less favoured area grazing livestock 12 per cent; pigs 17 per cent; poultry 9 per cent; mixed 12 per cent; horticulture 8 per cent.

- £75K to £100K - cereals 9 per cent; general cropping 5 per cent; dairy 8 per cent; less favoured area grazing livestock 5 per cent; poultry 13 per cent.
  - Over £100K - cereals 43 per cent; general cropping 43 per cent; dairy 65 per cent; pigs 36 per cent; poultry 31 per cent; mixed 21 per cent; horticulture 19 per cent.
- 6 The Scottish Government has introduced an Advanced Income Tax which will apply a 45 per cent tax rate to annual income of between £75,000 and £125,140. The Top rate has also increased by 1 per cent.
- 7 Results from the Scottish Agricultural Census for June 2023 have been published:
- the agricultural area was 5.33 million hectares, 69 per cent of total land
  - 46 per cent applied both mineral and organic fertilizer while 11 per cent applied only organic fertilizer
  - winter planting has increased by 4 per cent with a corresponding fall in spring planting, mainly due to an increase in the wheat area
  - the oats area is down 20 per cent on the 5-year average whereas the oilseeds area has increased by 25 per cent
  - the seed potato area is down by 5 per cent and the ware area by 7 per cent
  - the area to grow vegetables for human consumption is up 7 per cent on the 5-year average while the area for stockfeed is down 5 per cent
  - compared to the 5-year average, the soft fruit growing area is down 7 per cent to 2,000 hectares; strawberries fell by 11 per cent to 1,000 hectares but the blackcurrant and blueberry area increased
  - cattle numbers fell by 3 per cent compared to the 5-year average to 1.68 millions; the beef herd is down 12 per cent compared to 10 years ago whereas the dairy herd has increased by 6 per cent
  - sheep numbers were down 2 per cent on the 5-year average
  - pig numbers were up 5 per cent on the 5-year average at 343,600 head
  - farmed deer numbers increased to 14,890 head compared to the 5-year average of 12,400 head
  - 65 per cent of working occupiers are male, 35 per cent female; only 15 per cent are under the age of 45.
- 8 The Scottish Parliament has approved legislation enabling councils to charge up to double the full rate of council tax on second homes. A second home is defined as any home that is not used as someone's primary residence but is occupied for at least 25 days in a year. The change is estimated to affect 24,287 properties.

## **V Product prices**

### **A Market background**

- 1 Sterling closed marginally down against the Euro and marginally up against the US Dollar this month. After opening against the Euro at 86.2p, Sterling improved to a peak of 85.5p before weakening steadily over the remaining weeks to a low of 87.1p; a small improvement saw it close the month at 86.6p per € (0.4p weaker). Meanwhile, against the US Dollar, Sterling was more volatile: opening the month at 79.1p it rose and fell a number of times, falling to 80.0p and peaking at 78.0p, before closing 0.6p higher at 78.5p per \$.

- 2 The gold price, volatile as usual, gained early on, with a material short-lived spike, then fell back to a mid-month low, before recovering in the latter half of the month to close up overall. From a starting point of £1,614 per troy ounce, it hit a new all-time high of £1,692 and fell back to £1,600 in the first week. The average fell to a low of £1,577 before climbing back to close the month at £1,624 per troy ounce, £10 up.
  - 3 Crude oil prices remained volatile, albeit with modest levels of movement. Brent Crude opened at \$82.80 per barrel, dropped to a low of \$73.30 in the first half of the month and rose to a peak at \$81.10 before dropping back to a closing price of \$77.00 per barrel, down \$5.80 overall.
- B Crops**
- 1 The cereals market remained relatively flat this month. The high global maize forecast for the coming season has remained one of the major drivers keeping cereal prices suppressed, particularly now that large parts of Brazil have finally received the rain their maize needed so badly. Conversely, excessive rainfall in the Northern Hemisphere has hampered drilling and crop establishment, whilst Black Sea exports and the stronger Euro have also played their part. Average milling premiums have bounced back, after falling last month, to above £60. Feed wheat futures remained volatile, with modest movements keeping values relatively stable; short term prices increased, whilst longer-term was flat. By late December, deliveries for November 2024 and 2025 were £209/tonne (+3) and £212/tonne (-) respectively. Oilseed rape prices fell back this month following world oilseed prices and strong US soya exports. Average spot prices in mid-December, before the Christmas shutdown (per tonne ex-farm): feed wheat £179 (-1); milling wheat £243 (+1); feed barley £154 (-3); oilseed rape £348 (-6); feed peas £246 (-); feed beans £236 (-).
- C Livestock**
- 1 The average live-weight cattle prices for steers and heifers closed down this month, particularly in the case of heifers. The average steer price fell from its opening average of 281p/kg lw to a pre-Christmas closing average of 271p/kg lw (down 10p, to sit 15p/kg above the average a year earlier). The average finished heifer price initially climbed from an opening position of 291p/kg lw to peak at 297p/kg before falling back sharply to a closing average of 280p/kg (down 11p, to sit 17p above the average a year earlier). The average dairy cow price remained volatile, with another significant swing: over £400 per head this month. Dropping from its opening position of £1,276 per head to a low of £1,234, the average then improved significantly to a pre-Christmas close, and peak, of £1,679 per head (up £403 to sit £411 above the average a year earlier).
  - 2 The new season average finished lamb price (SQQ liveweight) rose by a small margin in the lead up to the Christmas break. Opening at 259p/kg lw, the average increased linearly to close the month at 262p/kg, up 3p/kg to sit 25p/kg above the average a year earlier.
  - 3 The average UK all pig price (APP) fell further this month, partly due to seasonal decline but also as European demand continues to fall. Opening at 217p/kg dw, the average price fell back steadily throughout the month to close at 214p/kg dw (down 3p to sit 9p above the closing average a year earlier).

- 4 The UK milk price, in the most recent reports, improved overall. The UK average 'all milk' price for October, reported in December, was 37.03ppl: 0.67ppl above the September average, 13.6ppl below the price a year earlier but 2.58ppl above the marginally increased rolling 5-year average of 34.45ppl. The EU average for October was 39.52ppl; 0.97ppl above the September average and 11.25ppl below the price a year earlier.

## VI Other crop news

- 1 AHDB has published updated figures for its Early Bird Survey of 2023/24 crop areas. Wheat is down 3 per cent at 1.66 million ha; winter barley is down 7 per cent at 423,000 ha; spring barley is up 11 per cent at 756,000 ha; oats is up 8 per cent at 180,000 ha; oilseed rape is down 19 per cent at 317,000 hectares; pulses are down 11 per cent at 245,000 hectares; arable fallow is up 25 per cent at 388,000 ha; and other crops, including sugar beet, potatoes, vegetables, maize and temporary grass are up 4 per cent at 768,000 ha. In the East Midlands, the rape area is forecast to be down 37 per cent, the lowest since records began in 2001.
- 2 All elements of the 2023 Canadian harvest are reported to be down on 2022. Wheat is forecast to be down 6.9 per cent at 31.95 million tonnes, barley down 10.9 per cent at 8.9 million tonnes, oats down 49.5 per cent at 2.64 million tonnes and rapeseed down 1.8 per cent at 18.33 million tonnes. Similarly, the Australian crop is expected to be well below the 2022/23 harvest. Wheat is forecast to be down 37 per cent at 25.45 million tonnes, barley down 24 per cent at 10.77 million tonnes, oats down 32 per cent at 1.07 million tonnes and rapeseed down 33 per cent at 5.52 million tonnes.
- 3 Final results for the UK 2023 harvest have been published:
  - the wheat harvest was 14 million tonnes, down 10 per cent on 2022; yield was down 5.2 per cent to 8.1t/ha; and area was down 5.1 per cent to 1.7 million ha.
  - the barley harvest was 7 million tonnes, down 5.7 per cent on 2022; spring barley was down 9.9 per cent; and winter barley was down 0.2 per cent.
  - oat production fell by 18 per cent to 830,000 tonnes; yield fell by 13 per cent to 5t/ha; and area fell by 5.1 per cent to 167,000 ha.
  - oilseed rape production fell by 1.2 per cent to 1.2 million tonnes; yield fell by 17 per cent; while area increased by 7.2 per cent.
  - moisture content for wheat averaged 15.1 per cent, barley 15 per cent, oats 14.6 per cent and oilseed rape 8.9 per cent.
- 4 The 2023 Scottish cereal harvest saw a fall of 6 per cent, compared to 2022, and a yield fall of 2 per cent although overall yield was a little above the 10-year average.
- 5 The Agricultural Price Index for October shows falls of 28.4 per cent for wheat, compared to a year earlier, 24.2 per cent for barley, 14 per cent for oats and 31.6 per cent for oilseed rape while there were increases of 39.4 per cent for potatoes, 15.9 per cent for forage plants, 6.6 per cent for fresh vegetables and 18.2 per cent for fresh fruit. Compared to September, there were increases of 1 per cent for wheat, 3.2 per cent for barley, 2.2 per cent for oats, 3.9 per cent for fresh vegetables and 7.8 per cent for fresh fruit but falls of 5.5 per cent for potatoes, 1.5 per cent for oilseed rape and 1.9 per cent for forage plants.
- 6 AHDB figures show that, in the period July to October, animal feed production was down 1.9 per cent on the year and at the lowest level since 2016/17. The main falls are in the pig, sheep and poultry compounders sectors, with pig feed down 6.3 per cent, sheep feed down 17.1 per cent but with poultry feed up 1 per cent.

- 7 A study by the Institute of Biological, Environmental and Rural Sciences at Aberystwyth University has revealed that Miscanthus crops can survive on waterlogged fields with yields unaffected by excess water.
- 8 The Cover Crops Guide, the UK's first independent guide to selecting, establishing and terminating cover crops, co-designed by farmers, has been launched.
- 9 The wholesale price of potatoes has risen across Europe as an increasing number of fields are likely to be abandoned. North West Potato Growers has estimated that 15 per cent of the Dutch crop remained in the ground at the end of November with 5 per cent of the seed crop unlifted. 10 per cent of the Irish crop was still in the ground while in Germany, France, Belgium and Holland 3.5-4 million tonnes remained to be lifted.
- 10 The Processors and Growers Research Organisation has added 12 new pea and bean varieties to its 2024 Descriptive List:
  - Concerto (LS Plant Breeding) and Batist (Senova) are top yielding at 115 per cent and 113 per cent respectively of the control, while KWS Flam yields 110 per cent, all yellow peas
  - Flamingo (Cope Seeds and Grains), a pink variety, yields 78 per cent of control
  - Shazam (Senova) and Reacher (IAR Agri) are new green varieties
  - Vision (Elsoms), a marrowfat variety, achieved 100 per cent of control
  - LG Arctic (Limagrain) and Ninja (Senova) are new winter bean varieties
  - Synergy (Saaten Union) is a new spring bean variety yielding 107 per cent of control, Navara (Senova) yielded 106 per cent and LG Hawk (Limagrain) yielded 101 per cent.
- 11 British Sugar and NFU Sugar have agreed that growers can select from the following options for the 2024/25 crop:
  - a £40 tonne fixed price (no change from 2023/24)
  - a core price of £38 per tonne plus a market-linked bonus
  - a Futures-linked option for up to 35 per cent of their contract
  - yield protection at £1 per tonne reduction on the core or fixed contract price
- 12 The Duchy 2024 Autumn and Winter Cauliflower Trials Field Open Day will be held on 18 January at Trevarnon Farm, Gwithian, Hayle, Cornwall.
- 13 According to British Apples & Pears Ltd, in the two years since 2021, apple growers faced 30 per cent increases in production costs while supermarket returns only increased by 8 per cent. In 2022 alone, production costs increased by 23 per cent while returns increased by 0.8 per cent. In 2023 the figures were 6-9 per cent and 7 per cent respectively. Further data published by Assosia reveals that, in the two years to November 2023, the average price of apples in Aldi rose by 12.6 per cent, Lidl 12.1 per cent, Tesco 10.9 per cent and Sainsburys by 9.1 per cent. In extreme cases, Lidl's Oakland Red Apples increased by 50 per cent, Morrison's British Apples by 39 per cent and Tesco's Rosedene Farms Gala by 36 per cent. Aldi, Lidl, Tesco and Sainsbury's account for 70 per cent of all sales of British apples and pears.
- 14 BigSis has developed an updated version of the sterile insect technique which reportedly will reduce numbers of spotted wing drosophila by up to 88 per cent compared to a conventional spray control.

- 15 British Berry Growers, which represents 95 per cent of the UK's commercial soft fruit growers, has formed a Campaign and Policy board to advocate for the industry's pressing needs. Led by Anthea McIntyre CBE, a former member of the European Parliament where she served on the Agriculture and Rural Development Committee, specialising in horticulture, the board comprises a selection of major UK berry growers.
- 16 Martens van Hoof, in the Netherlands, has installed the European fruit industry's largest solar panel installation. The 'fruit voltaic' panels sit above raspberry canes allowing the right amount of light to reach the canes while also protecting the plants from hail and intense heat. The site generates enough electricity to power 2,800 homes.
- 17 The Greenhouse Horticulture and Flower Bulbs Unit of Wageningen University and Research has developed low-chill varieties of strawberries which do not need a cold period in winter to produce maximum yields and which will produce new flowering trusses through the spring.
- 18 Food Tech Valley has signed an agreement with ReFarm to construct a 900,000 sq ft 'GigaFarm' in Dubai, recycling more than 50,000 tonnes of food waste and growing 2 billion plants each year. It will produce more than 3 million kg of produce annually, replacing 1 per cent of the country's fresh produce imports. The technology will be supplied by Intelligent Growth Solutions with lead bank support from UK Export Finance.
- 19 Wageningen University and RED Horticulture have partnered to advance research and innovation in optimising young plant growth through dynamic spectrum lighting, particularly in the field of tomatoes, cucumbers and peppers.
- 20 Statistics Netherlands (CBS) has revealed that a further 50 companies will have left the greenhouse sector by the end of 2023, leaving 1,110 active producers. A further 9 greenhouse fruit growers will have left, leaving 102 producers. The total Dutch greenhouse area is 10,305 ha with tomato growing at 1,763.9 ha (down 51.3 ha), peppers at 1,501.2 ha (down 146.6 ha) and cucumbers at 675.5 ha (up 33.4 ha).

## VII Other livestock news

- 1 The June 2023 survey has revealed that the number of cattle and calves fell by 0.8 per cent compared to a year earlier, to 9.6 million head with the breeding herd falling by 1.9 per cent to 3.2 million head. While the dairy herd saw little change, the beef herd fell by 3.8 per cent to 1.4 million head, the largest fall in over 10 years. The suckler herd, at 203,800 head, is now 13 per cent smaller than 10 years ago. Pig numbers fell by 10 per cent to 4.7 million head with fattening pigs down 11 per cent to 4.3 million head while the number of breeding pigs only fell by 0.2 per cent. The female breeding herd fell by 1.5 per cent to 338,000 head, the lowest in the past 21 years although the number of gilts in pigs rose by 13 per cent. The number of sheep and lambs fell by 4.1 per cent to 32 million head with lamb numbers falling by 6.1 per cent to 15.5 million head. Poultry numbers fell by 2.9 per cent to 178 million birds. While breeding and laying fowl increased by 2.5 per cent to 54 million birds, broiler numbers fell by 4.3 per cent to 116 million birds.
- 2 Arla has increased its price for conventional and organic milk by 0.89ppl taking the conventional price to 36.1ppl and the organic price to 43.54ppl.
- 3 During November, UK prime cattle slaughterings rose by 0.1 per cent, compared to a year earlier, to 184,000 head; beef and veal production fell by 1.3 per cent to 83,000 tonnes; sheep slaughterings rose by 2.6 per cent to 1,145,000 head; mutton and lamb production rose by 2.2 per cent to 26,000 tonnes; pig slaughterings fell by 4.8 per cent to 911,000 head; and pigmeat production fell by 3.6 per cent to 85,000 tonnes.

- 4 Saputo has increased its negotiated base price by 1ppl to 36.5ppl.
- 5 The Agricultural Price Index for October shows increases of 4.7 per cent for cattle and calves, compared to a year earlier, 10.6 per cent for pigs, 8.5 per cent for sheep and lambs, 11.9 per cent for poultry and 25 per cent for eggs but there was a fall of 26.9 per cent for milk. Compared to September, there were increases of 2.3 per cent for sheep and lambs and 1.7 per cent for milk but there were falls of 2.1 per cent for cattle and calves, 1.8 per cent for pigs and 3.3 per cent for poultry.
- 6 Following the outbreak of Bluetongue virus on a farm near Canterbury, an outbreak was confirmed in cattle on 8 December on a farm near Cantley, Broadland, Norfolk. Cases have also been found in sheep in Kent.
- 7 Barber's has increased its negotiated base price by 1ppl to 36.5ppl.
- 8 Since 21 September 2023, there have been 3,527 outbreaks of epizootic haemorrhagic disease in France, while since 21 October 2023, outbreaks have been recorded in Spain and Italy.
- 9 Highly pathogenic avian influenza H5N1 has been confirmed in commercial poultry in Cranbrook, East Devon and Wooler, Berwick-upon-Tweed.
- 10 Management of DairyPro and PigPro has moved from AHDB to BASIS.

## **VIII Inputs/Supply businesses**

- 1 The Environment, Food and Rural Affairs Committee has reported that, while soil is vital in 'sustaining life on earth, producing food and sustaining rich ecosystems', soil in the UK had become heavily degraded through 'over use, compaction and pollution'. It recommended that the Government introduce statutory targets on soil health and should fund widespread, standardised testing of soil.
- 2 The Government has announced that the horticultural sector will have access to the Industrial Energy Transformation Fund to help reduce energy costs.
- 3 The Agricultural Price Index for October shows falls of 2.5 per cent for seeds, 15.2 per cent for energy and lubricants, 49.5 per cent for fertilizers, 13.4 per cent for animal feedingstuffs and 2.1 per cent for buildings maintenance but there were increases of 15.4 per cent for chemicals, 2 per cent for veterinary services and 8.1 per cent for equipment maintenance. Compared to September, there were falls of 0.1 per cent for seeds, 0.6 per cent for energy and lubricants, 0.1 per cent for veterinary services and 0.8 per cent for equipment maintenance but increases of 0.2 per cent for fertilizers, 0.5 per cent for animal feedingstuffs and 0.2 per cent for equipment maintenance.
- 4 A report "It rains from pesticides!" published by the Pesticides Action Network (PAN) Europe has revealed that a sampling of rain and surface water around greenhouses in Belgium, Netherlands, Spain and Germany shows contamination by a high number of pesticides including many outlawed substances.
- 5 Emergency Authorisation has been granted for the use of Force seed treatment for bulb onions in the period 1 December 2023 to 15 April 2024.

## **IX Marketing**

- 1 According to Reports and Data, the UK Agriculture market is forecast to rise from £39.67 billions in 2023 to £49.4 billions in 2030.
- 2 A new 'Let's Eat Balanced' marketing campaign has been launched by AHDB.
- 3 Asda opened 81 new Express stores in December, the most it has completed in a month, taking its total to 229 stores nationwide.

- 4 Aldi has created a new real-estate team in an effort to locate 500 new sites for stores in the UK.
- 5 Sales of brussels sprouts at Waitrose increased by 150 per cent in the lead up to Christmas with particular interest in 'non-standard' recipes for the vegetable.
- 6 The Co-op has been named Retailer of the Year by British Berry Growers achieving an increase of 22.1 per cent in sales across all berries.
- 7 A study by Kite and AB Dairy has revealed that a basket of vegan or dairy alternative products offered a 40 per cent reduction in the number of calories for every £1 compared to a basket of comparable meat and dairy products.
- 8 Canterbury-based supplier of salad and fruit crops, A Gomez Ltd, has ceased trading with the loss of 400 jobs.

## **X Miscellaneous**

- 1 Defra has issued a Call for Evidence on how non-road mobile machinery might decarbonise. Non-road mobile machinery refers to any mobile machine, transportable equipment or vehicle not intended for the transport of goods or passengers on the road and which has a combustion engine. Evidence is sought on areas including:-
  - how NRMM is used across the economy
  - the decarbonisation options available to NRMM, including efficiency measures, process changes and fuel switching technologies
  - the possible opportunities and barriers to deploying decarbonisation options
  - whether existing policies are sufficient to decarbonise NRMM in line with net zero
  - whether the Industrial Decarbonisation Strategy policy principles should also apply in determining the case for further government intervention.

The Call for Evidence closes on 26 March 2024.
- 2 Tractor unit registrations in November fell by 43.1 per cent compared to a year earlier.
- 3 New Year's Honours for Philip Wynn (OBE), Chair of LEAF and Andrew Arbuckle (MBE) RSABI.

## Postscripts

### Heavy Element

Cambridge University researchers have discovered the heaviest element yet known to science.

The new element, Governmentium (symbol=Gv), has one neutron, 25 assistant neutrons, 88 deputy neutrons and 198 assistant deputy neutrons, giving it an atomic mass of 312.

These 312 particles are held together by forces called morons, which are surrounded by vast quantities of lepton-like particles called pillocks.

Since Governmentium has no electrons, it is inert.

However, it can be detected, because it impedes every reaction with which it comes into contact.

A tiny amount of Governmentium can cause a reaction that would normally take less than a nano-second to take from 4 days to 4 years to complete.

Governmentium has a normal half-life of 2 to 6 years. It does not decay, but instead undergoes a reorganisation in which a portion of the assistant neutrons and deputy neutrons exchange places.

In fact, Governmentium's mass will actually increase over time, since each reorganisation will cause more morons to become neutrons, forming isodopes. This characteristic of moron promotion leads some scientists to believe that Governmentium is formed whenever morons reach a critical concentration.

This hypothetical quantity is referred to as a critical morass. When catalysed with money, Governmentium becomes Administratium (symbol=Ad), an element that radiates just as much energy as Governmentium, since it has half as many pillocks but twice as many morons.

# Monthly Farming Update

## There is a time to die and a time to die!

We are all used to rumours ahead of a Budget but usually in the few weeks before, often created by professional firms touting for business. Rarely do any prove correct. This time the professional firms have been caught off guard but are the rumours of the abolition of Inheritance Tax likely to prove correct?

Of course such a move would prove highly popular with a proportion of the population but would that proportion be enough to keep Rishi in power?

In the tax year 2020/21, only 3.73 per cent of deaths resulted in an Inheritance Tax charge and the proportion has been flat since 2017/18. In numeric terms 27,000 deaths resulted in a charge, so 27,000 families were affected, the percentage of the UK population must be miniscule. Of course a much greater number of families must be worried about the consequences of a charge on the death of a loved one but still the number must be negligible.

The tax take in 2020/21 was £5.76 billions, so that is an average of £213,000 per taxpaying death. That equates to a taxable estate of £530,000, so possibly a minimum estate value of £1.5 millions. Is that going to accord with enough of the electorate to avoid Rishi calling for the removal vans?

There would also be implications for Capital Gains Tax on lifetime gifts as the potential Inheritance Tax charge on the use of family trusts means that Capital Gains Tax, which would usually arise on a gift, may be postponed and this relief may be lost.

What happens if the rumour is proven? The odds remain that Keir Starmer will be occupying No. 10 after an election. Will he reverse the decision or will he introduce a Wealth Tax instead?

Wealth taxes have been proved to be deeply unpopular and detrimental to economies wherever they have been introduced and almost impossible to enforce without massive evasion. So the simple solution would be to reintroduce Inheritance Tax, or a variation, perhaps without some of the beneficial reliefs which exist at present. So Rishi's move could backfire badly on the farming and business community to a serious extent.

If the change is made, it is going a bit far to suggest those of increased years should plan to fall off their perch between Rishi's last Budget and Keir's Budget but don't get too excited if Rishi does take the plunge as the sting may be in the tail!!

We welcome feedback on the MFU.

Does this issue raise any questions in your mind?

Would you like more information on a particular item?

Please ring one of our agricultural specialists:

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

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



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