

## Policy issues

- 1 The European Commission has announced a series of measures to support agriculture including: a doubling of the intervention ceilings for skimmed milk powder to 218,000 tonnes and butter to 100,000 tonnes; allowing member states to provide state aid to farmers of up to £11,700 per year; considering proposals for a private storage aid scheme for pigmeat; making £23.5 millions for the promotion of beef and dairy; exploring the feasibility of an export credit scheme; and considering extending support for fruit and vegetables following the Russian ban.
- 2 The Forum for the Future of Agriculture, held in Brussels last month, has called for: smarter, more efficient use of nutrients; reducing the volume of food waste at farm, processing and consumer levels; changing the quantity, nutritional value and balance between meat and plant-based food consumed; and encouraging collaboration between politicians, the food chain and non-governmental organisations.
- 3 The Government is to undertake a statutory review of the powers of the Groceries Code Adjudicator and is expected to extend its authority.

## Reform

- 1 Defra has published the Countryside Stewardship: Mid Tier and Higher Tier Manuals which will apply to all agreements commencing in 2017.
- 2 The Rural Payments Agency has issued a revised version of form RLE1 which is used to make changes to digital maps, register new land and transfer entitlements by sub-lease or inheritance.
- 3 Defra has published Excel record-keeping templates for livestock where Countryside Stewardship agreement holders have grazing management options.
- 4 The EU has agreed to improve and streamline CAP audits thereby reducing the risk of farmers incurring penalties.

## Grants / regulations / legislation / environment

- 1 Defra has published an 8-point plan for England's National Parks covering: connecting young people with nature; creating thriving natural environments; growth in international tourism; new apprenticeships; promoting food sourced from National Parks; access- ability; landscape and heritage; and health and wellbeing.
- 2 The Government has announced increased funding to assist areas hit by flooding in December last year. £115 millions will be spent on flood defence schemes in Leeds, York and the Calder Valley; £33 millions will be spent on schemes in Kendal, Appleby, Flimby, Eamont Bridge, Wigton, Pooley Bridge, Rickerby Park and Braithwaite; and £25 millions will be spent in Carlisle.
- 3 The Scottish Government has committed £48 millions to research into animal and crop diseases and agricultural productivity.
- 4 AHDB Horticulture is to fund a 3-year project at a cost of £270,000 called GREAT Soils, to help growers improve their soils. The Soil Association, the Organic Research Centre and Earthcare Technical are partners in the project.
- 5 A Centre for Excellence in Rural Health Research has been launched by Aberystwyth University.
- 6 The Prince's Countryside Fund has provided funding of £700,000 to support inspiring rural initiatives.

## Other matters of farm finance and tenure

- 1 Researchers at the University of Exeter are seeking information from those who run small family farms to identify the contribution made to UK agriculture. The research has been commissioned by the Prince's Countryside Fund.
- 2 Defra statistics record that, in 2014, the average rent for a Full Agricultural Tenancy was £176 per hectare, 3 per cent up on 2013, with increases in all regions apart from the West Midlands. The average rent for a Farm Business Tenancy was £207 per hectare, 5 per cent up on 2013, with increases in all regions apart from the West Midlands and the East of England. The average rent for seasonal agreements was £142 per hectare, 12 per cent up on 2013.
- 3 The Farm Business Survey, covering farmers' plans for 2016 and 2017, has been published. 49 per cent of livestock farms intend to carry out major changes, more particularly dairy and lowland grazing livestock farms worth at least £2 millions; the major changes planned are mainly to increase production, this is planned by 40 per cent of dairy enterprises but only 15 per cent of arable farms; 13 per cent of livestock businesses plan to diversify, the favourite being into tourism; 36 per cent of livestock farms plan for major investment, primarily those in the south and primarily into buildings.
- 4 Figures released by the Scottish Government show that average farm business income fell by £8,000 between 2013 and 2014 to £23,000, the lowest level since monitoring was introduced. Incomes have fallen by 55 per cent since 2010.
- 5 Defra has published an update of the Food Statistics Pocketbook 2015. It shows that the agri-food sector contributed £109 billions, or 7.3 per cent, to national Gross Value Added in 2014; 14 per cent of 2015 national employment was in the agri-food sector; food and drink exports in 2015 totalled £18 billions; food prices fell by 1.7 per cent in real terms in the past 12 months; expenditure on food, drink and catering in 2014 was £198 billions, 11 per cent of all household spending; purchases of 5 A DAY increased in 2013 to 3.9 portions but low income households only bought 3.0 portions; the average household's annual spend on food that is thrown away is £470; food and environment incidents investigated by the Food Standards Agency numbered 1,645; and emissions from the food chain totalled 70 million tonnes of CO2 with farming accounting for 56 million tonnes of the total.
- 6 In January, the monthly price index for all outputs was 6.5 per cent lower than a year earlier while the index for all inputs was 4.4 per cent lower.
- 7 Defra has published "British food and farming at a glance." This shows that: 71 per cent of UK land is used for farming; 19 per cent of land is down to arable and only 1 per cent to fruit and vegetables; 400,000 people are employed in farming; and, in 2014, agriculture and fishing contributed £10.7 billions to the economy. Exports in 2015 totalled £18 billions with Ireland, France, the USA, Netherlands and Germany the leading markets. Principal products are whisky, salmon, cheese, wine and lamb.
- 8 Latest economic data covering the quarter to December 2015 show that average house prices in rural areas fell by 1.5 per cent compared to the September quarter while the number of unemployed fell from 3.3 per cent to 3.1 per cent.
- 9 The Scottish Government has opened the Scottish Land Fund with £10 millions available to help communities buy land.
- 10 Farmers in Greater Manchester who suffered losses as a result of flooding earlier this year are eligible to apply for grants from the Farming Recovery Fund but applications must be made by 15 April.
- 11 Defra has published guidance on whether Countryside Stewardship options and capital items are eligible or not where undertakings have been given in accordance with an Inheritance Tax conditional exemption or as the object of a Maintenance Fund.

## Product prices

- 1 Crop prices were relatively unchanged when comparing late March with late February but this masks the various factors that underlie the market this month. US weather (too dry), Argentine soyabean harvest results (good so far), Chinese demand for maize (reduced) and world soyameal and palm oil demand (increased) have shifted the markets in various directions this month. Currency exchange played a major part once again, as Sterling weakened further (the Euro gaining a further 2p over the course of the month) which propped up UK grain prices and gave a lift to the oilseed market. These reminders of the grain market's vulnerability saw LIFFE feed wheat futures react with volatility; dropping materially in

early March but recovering over the remainder of the month to make a small improvement. In late March, deliveries for November 2016 and 2017 stood at £118/tonne (+1) and £127/tonne (+1) respectively, whilst January 2018 futures also improved by a similar margin to £128 (+1). Average spot prices in late March (£/tonne ex-farm): feed wheat 100 (-1); milling wheat 107 (-1); feed barley 97 (static); oilseed rape 264 (+7); feed peas 117 (-2); feed beans 125 (-3)

- 2 The GB average potato price was more than just buoyant this month, making healthy gains. From an opening position of £160 per tonne, the average price improved steadily in the first half of the month but improved with more vigour in the second half resulting in a late March close of £185 per tonne (£25 higher than February and £60 above the average in late March 2015). The free-buy average followed a very similar trend, with the latter gains more marked, and eventually exceeding the average potato price. Opening the month at £156, the improvements seen in the free-buy average throughout the month led to a close of £186 (up £30 overall for the month and £104 above the free-buy average a year earlier). The potential for market volatility will remain throughout this season as the selling decisions of those with quality samples in cold storage will have a material influence on price. Planting of the 2016 main crop is in its early phase and is being hampered in parts by wet weather, although at this early stage there is little concern. 2015 crop prices for grade 1 crop in late March: the spread of Desiree prices was tighter still at between £230 and £250 per tonne; whilst Estima were far stronger at between £180 and £300 per tonne. Maris Piper prices were wider spread and stronger at between £200 and £250 per tonne, whilst King Edwards improved due to greater demand, at between £210 and £250 per tonne.
- 3 Cattle prices remained volatile this month; marginally stronger in the early days but ultimately negative over most of the month. The average finished steer price, from its opening position of 177p/kg lw, peaked at 179p/kg before dropping back to settle at a late March close of 170p/kg lw (down 7p/kg over the month and 15/kg below the closing average recorded a year earlier). The movement in the average finished heifer price was far removed from that of steer prices; from the opening position of 192p/kg lw it dropped back to a low point of 187p/kg, but closed slightly up from this at 188p/kg lw (an overall reduction of 4p/kg during the month, to sit 8p/kg below the price a year earlier). The average dairy cow price remained low in response to the pressures of the dairy industry, keeping below £1,000 per head. With a mid month high of £938, the late March closing position was £863 per head (£1,183 in March 2015).
- 4 The average finished lamb price (SQQ live weight) was largely bullish in the weeks leading up to Easter but then proceeded to fall back again from the start of the Easter week. From an opening position of 184p/kg lw, the average price peaked at 191p/kg lw, before dropping to a closing position of 186p/kg lw, up 2p in the month overall but 5p/kg below the closing average a year earlier.
- 5 The average UK all pig price (APP), having dropped materially in the first part of March, improved in the latter half of the month following the same trend seen a year earlier. From an opening position of 117.2p/kg dw, and having dropped to 115.7p/kg, the average by late March had partially bounced back to close 1.0p/kg down overall at 116.2p/kg (20.3p/kg below DAPP from a year earlier).
- 6 The UK average milk price for January (published in late March) reported a further reduction of 0.65ppl in the month to an average of 23.13ppl - 3.25ppl below the price a year earlier. The European prices in January saw the UK drop a further place in the EU28 rankings (to 9th) compared to an improved EU28 weighted average of 22.96ppl.

## Other crop news

- 1 Data from the Kleffmann Group reports that farm-saved oilseed rape seed has increased from 9 per cent for last year's crop to 15 per cent this season while hybrid varieties have increased their share of sales to 61 per cent across the UK and 71 per cent in Scotland.
- 2 In January 3.5 per cent more barley was used to produce animal feed compared to a year earlier but 3 per cent less wheat.
- 3 In January, the milling industry, starch and Bioethanol used 426,000 tonnes of wheat, down 21.2 per cent on a year earlier; of the total, 357,000 tonne was home produced: meanwhile, brewers, maltsters and distillers used 145,000 tonnes of barley, a fall of 10.4 per cent and 36,000 tonnes of wheat, a fall of 37 per cent.
- 4 Wheat exports in January totalled 310,000 tonnes, the highest level for 5 years. The cumulative season figure is 1.3

million tonnes, up 21 per cent on 2015.

- 5 Latest figures show that the winter wheat area has fallen by 3 per cent in England, 7 per cent in Scotland and 8 per cent in Wales; the winter barley area has fallen by 2 per cent in England, 1 per cent in Scotland and 13 per cent in Wales; the oilseed rape area is down 10 per cent in England and 18 per cent in Scotland.
- 6 Latest Defra figures show the price index for all crops fell by 2.2 per cent in January compared to a year earlier but rose 2.9 per cent compared to December; cereals prices fell by 0.5 per cent compared to December and 11 per cent compared to a year earlier; potato prices rose by 33 per cent compared to January 2015 and by 3.9 per cent compared to December.
- 7 Rabobank has forecast little movement in grain prices, a break-even position for UK growers but losses for US corn and soya producers. It suggests the main feature of markets in the future will be rising demand from China and Asia for grain to drive meat and dairy production.
- 8 RAGT Seeds' winter wheat RGT Illustrious has been awarded full Group 1 approval.
- 9 The Food Research Collaboration has published "Horticulture in the UK: potential for meeting dietary guideline demands". It recommends that: the Government's forthcoming 25-year Food and Farming Plan should apply a "health lens" to its proposed focus on "Brand Britain"; Government, growers, land use specialists, industry and regional bodies should plan the infrastructure needed for investment in horticulture; public health and environmental analysts should work more clearly on how to narrow the gap between supply and demand for fruit and vegetables; and Government Research Councils should set up new research facilities to determine how to build demand for more sustainable home production.
- 10 Scientists at Newcastle University believe that modern tomato breeding has resulted in breeding out traits which help the plant defend itself against whitefly.
- 11 Reaseheath College is investigating the viability of growing tomatoes in the UK during the winter rather than relying upon imports.
- 12 A study at East Malling Research has claimed that Arbuscular mycorrhizal fungi and plant promoting rhizobacteria in soil-less strawberry production can boost yields.
- 13 VHB Herbs is to be rebranded as Vitacress Herbs.
- 14 Hazera Seeds is to build a brassica research and development station in Warmenhuizen, North Holland.
- 15 Trials conducted by Science and Advice for Scottish Agriculture of potato varieties with resistance to potato cyst nematode have shown reduced nematode multiplication.
- 16 A study conducted by the City University on behalf of the Food Research Collaboration has claimed the UK horticulture industry is in a "weak" state, that it will struggle to support new advice and that government must put the fresh produce industry at the heart of the impending food strategy to reduce the reliance on imports.

## Other livestock news

- 1 Slaughterings of UK prime cattle in February totalled 156,000, 0.3 per cent up on a year earlier. Beef and veal production fell by 0.5 per cent to 71,000 tonnes. Clean sheep slaughterings were 845,000, 3.7 per cent down on a year earlier. Mutton and lamb production was 20,000 tonnes, down 1 per cent. Clean pig slaughterings were up 7.5 per cent at 879,000 with pigmeat production up 9.1 per cent at 76,000 tonnes.
- 2 The number of cattle and calves in the UK increased, by 1.3 per cent in December 2015 compared to a year earlier, to 9.8 millions; the number of pigs fell by 2 per cent to 4.4 millions despite an increase in the breeding herd of 2.6 per cent; the number of sheep and lambs increased, by 1.8 per cent, to 23.1 millions.

- 3 With effect from 6 April, farmers in the Low Risk Area of England will need to arrange for post-movement testing of cattle coming from the rest of England and from Wales. In the High Risk Area of England, all new breakdown herds will require two consecutive short interval herd tests with negative results before restrictions are lifted.
- 4 Defra is to fund a pre-sale bovine TB check for farmers with herds on 4 year surveillance testing who intend selling at least 20 animals comprising breeding bulls, in-calf females or cows for breeding or dairy heifers or cows aged over 15 months.
- 5 The new herd bovine TB incidents increased by 9.6 per cent in December compared to a year earlier with increases of 18.4 per cent in the High Risk area, 5.5 per cent in the Edge area and 1 per cent in the Low Risk area. In Scotland there was an increase of 0.5 per cent and in Wales 8.1 per cent.
- 6 Provided prior approval has been given by the Animal and Plant Health Agency, farmers will be able to submit blood samples for bovine TB testing.
- 7 Rabobank has forecast that South American beef exports will increase by 11 per cent in 2016.
- 8 Figures from the British Cattle Movement Services show the number of Hereford-sired calves born in 2015 rose by 13.4 per cent, the highest percentage increase in any beef breed.
- 9 The number of outbreaks of BTV-8 bluetongue virus in France has increased to 225. New regions being affected were Arriege, Charente Maritime, Dordogne, Gironde, Indre, Lot, Rhone, Vienne and Haute Vienne. Most outbreaks were in cattle holdings but 4 were in mixed sheep and cattle holdings, 4 in sheep holdings and 1 in a goat holding.
- 10 Latest Defra figures show that the price index for animals and animal products fell 8.9 per cent compared to a year earlier; pig prices fell by 17 per cent while sheep and lamb prices fell by 10 per cent but the sheep and lamb index did rise by 6.5 per cent compared to December. The index for animal products fell by 11 per cent compared to January 2015 and by 2.3 per cent compared to December.
- 11 The cost of animal feedstuffs fell by 13 per cent in January compared to a year earlier.
- 12 In January animal feed production fell by 1.5 per cent for poultry, 8.1 per cent for cattle, 6.5 per cent for sheep and 2.5 per cent for pigs, all compared to a year earlier.
- 13 UK milk production in February fell by 6.2 per cent compared to January but was up 4.5 per cent on the same period in 2015. Average butterfat levels of 4.19 per cent were up by 0.03 per cent on January and up 0.1 per cent on the same period in 2015. Average protein levels remained unchanged at 3.28 per cent, up 0.01 per cent on February 2015.
- 14 Muller is to reduce the price paid to producers by 0.85ppl with effect from 1 May. Muller Direct Milk farmers will see a fall to 18.49ppl while Muller Milk Group will endure a cut to 19.15ppl.
- 15 Figures published for January show 875 million litres of milk as having been used by dairies, 5 per cent down on December and 2.3 per cent down on January 2015. Of the milk used, 50 per cent was for liquid milk production, 23 per cent for cheese and 2.5 per cent for butter.
- 16 The Livestock Auctioneers Association has reported an 8 per cent increase in store and breeding sheep sales in England and Wales to 2.91 millions.
- 17 Arla has reduced members' milk price by 0.94ppl making the standard litre price 20.87ppl.
- 18 The Scottish Government has recorded 565 cases of sheep scab since 2010.
- 19 Ireland's Ornuá has opened a £16 millions white cheese manufacturing facility in Saudi Arabia.
- 20 UK commercial layer chick placings were up 13.5 per cent in February compared to a year earlier at 3 million chicks; broiler chick placings were up 2 per cent at 75.9 million chicks; turkey chick placings fell 11 per cent to 900,000 chicks;

turkey slaughterings fell 5.3 per cent to 1,200,000 birds; broiler slaughterings rose 1.1 per cent to 71.5 million birds; poultry meat production rose 3.6 per cent to 1.328 million tonnes.

- 21 The British Poultry Council is to publish non-statutory guidance revoking the current statutory code on how to comply with welfare legislation for chickens produced for meat and breeding. The duck and turkey codes are to be reviewed in 2017.
- 22 A new livestock market costing £5.5 millions is to be built at Melton Mowbray.

## Inputs / Supply business

- 1 The Environment Committee of the European Parliament has rejected proposals from the European Commission to renew the licence for glyphosate for a further 15 years.
- 2 The price index for fertilizers and soil improvers fell by 15 per cent compared to a year earlier.
- 3 The French National Assembly has voted to ban the use of all neonicotinoid insecticides from September 2018.
- 4 Syngenta has warned that slow development from green bud flowering could leave oilseed rape crops exposed to pollen beetle damage for a prolonged period.
- 5 The Institute of Biological, Environmental and Rural Sciences at Aberystwyth University is collaborating with the Brazilian Agricultural Research Corporation and the National Institute of Agricultural Botany to develop new technologies and approaches to identify tan spot-resistant wheat lines.
- 6 BASF has submitted Revysol, a new triazole class fungicide, for regulatory approval.
- 7 The Animal and Plant Health Agency has issued guidance concerning *Xyella fastidiosa*, a bacterial pathogen which affects a range of woody and herbaceous plant hosts. It has killed olive trees in France and Italy within two years.
- 8 Farmers who wish to use rodenticides will now have to show a formally-approved certificate demonstrating proof of competence before being allowed to purchase.

## Marketing

- 1 The UK wine industry has forecast that wine exports will rise from 250,000 bottles to 2.5 million bottles by 2020 with sales totalling £30 millions.
- 2 Application has been made for Carmarthen Ham to be awarded protected name status.
- 3 Public Health England has published new Eatwell guidelines with recommendations as to potatoes, bread, rice, pasta and starchy carbohydrates – 37 per cent; fruit and vegetables – 39 per cent; beans, pulses, fish, eggs, meat – 12 per cent; dairy products – 8 per cent; oils and spreads – 1 per cent; and other foods – 3 per cent.
- 4 1 The latest Mintel survey of consumers shows that 38 per cent will buy British food whenever possible; 77 per cent believe that British food is more expensive than the imported equivalent; 39 per cent check the source of origin before buying; 39 per cent believe British food has a better flavour; 45 per cent believe it is important to support British farmers; and 56 per cent are prepared to pay more for British food.
- 5 The European Commission has agreed to extend the EU Milk Market Observatory to beef and pigmeat so as to give the farming industry access to the latest market data.
- 6 Graham's The Family Dairy has been awarded a contract to supply milk, butter, cheese, yoghurt, cottage cheese, quark and crème fraiche to 6,000 Brakes customers in Scotland.

- 7 Kantar Worldpanel figures for the 12 weeks to February show supermarket sales rose 0.5 per cent compared to the same period last year but prices fell 1.6 per cent. Overall sales at Sainsbury's rose 0.5 per cent but those at Tesco fell 0.8 per cent.
- 8 Tesco has been heavily criticised for marketing a new range of meat and fresh produce under fictitious farm names.

## Miscellaneous

- 1 The QS World University Rankings for agriculture and forestry has placed Wageningen University in the Netherlands in the top spot with Reading the UK's highest ranking University 12th and Nottingham 42nd.
- 2 Ali Capper, a hops and apple grower from Worcestershire, is the new chairman of the NFU's horticulture and potatoes board.
- 3 Dutch company Pols Group has taken over UK distribution of Kioti products from Reco.

## Other Business

5 April. Now you know!

If you have ever wondered why the tax year ends on 5 April in the UK rather than 31 December as in most countries, the answer goes back to the mid-1700s at the time that the UK belatedly changed from the Julian calendar to the Gregorian calendar. The start of the story goes back even further when in, or about, the year AD 532 in the Julian calendar, the monk Dionysius Exiguus set the start of the calendar year as 25 March being the day of the Annunciation when the Virgin Mary was said to have conceived Jesus, and also set the birthday of Christ as exactly 9 calendar months later on 25 December. Therefore, the calendar year ended on the day before Annunciation Day i.e. 24th March.

The Julian calendar assumed that an additional day needed to be added every 4 years because the Earth was thought to orbit the Sun every 365.25 days between each vernal equinox, but the Earth's actual orbital time period is 365.2424 days so that by the time of Pope Gregory in 1582, the Julian calendar had got ahead of the vernal equinox by 12 days. In order to correct for this drift, Pope Gregory decreed that 10 days should be omitted in October 1582 so that 4 October was followed by 15 October, whereby in 1583 the vernal equinox was then adjusted to fall on 20 March. He also introduced a further rule (the "100/400 century" rule) to prevent any further drift after 1582 by decreeing that a leap day would not be added in the century years that are exactly divisible by 100 unless they were divisible by 400. So 1600 was treated as a leap year with an extra day, but 1700, 1800 and 1900 would not be leap years and the year 2000 became the first occasion in the Gregorian calendar when a leap day would be added in a century year.

In 1582, Great Britain did not accept the Pope as being the head of the Church and ignored Pope Gregory's decree resulting in England remaining on the Julian calendar for another 170 years. By 1750, England had become 11 days out of step with the dates used in Scotland as well as many neighbouring countries which had adopted 31 December as the end of the calendar year. Eventually, Parliament saw the wisdom of adopting the Gregorian calendar, and passed the Calendar (New Style) Act of 1750 in which three changes were made to the calendar in the following two years i.e.

- the end of the calendar year was brought forward from 24 March to 31 December so that 1751 was shortened by 84 days to run from 25 March 1751 to 31 December 1751;
- 11 days were removed from September 1752 so that 2 September was followed by 14 September whereby the year of 1752 was a short one of 355 days;

Although the Calendar (New Style) Act 1750 changed the date of the end of the calendar year to 31 December, it did not make any change to the end of the tax year. Moreover, in the year 1752 rents due on property, and any other time-related monetary liabilities, were kept as being payable according to the natural number of days required for the charging period, which was usually 3 months commencing on a "quarter" day – these being Lady Day (25 March), Midsummer Day (21 June), Michaelmas Day (29 September), and Christmas Day (25 December). So in the Michaelmas quarter of 1752, landlords could have gained 11 days of rent at the tenant's expense if 3 month's rent had become due on 29 September in the new calendar, which would otherwise have been 10 October in the old calendar. The same applied to the fiscal year so to keep the 1752/53 tax year at 365 days, its end was

pushed forward by 11 days from 24 March to 4 April 1753.

The tax year then ended on 4 April (not 5 April as now) for 46 years until 1799 preceding the 1800 century year which would have been a leap year in the Julian calendar but was not in the Gregorian calendar. However, the 1799/1800 tax year was kept to the Julian calendar as if February 1800 had included a 29 day (it is not clear why), so the 1799/1800 tax year ended on 5 April 1800, which is where it has stayed ever since.