



CHAVEREYS

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MONTHLY FARMING UPDATE

December 2021



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I Policy issues

- 1 The Environment Act has passed into law.
- 2 The UK Government has opened a consultation on reforms to the Agriculture and Horticulture Development Board. The consultation closes on 10 January.

II Reform

- 1 The second and final round of the Natural Environment Investment Readiness Fund has opened for applications.
- 2 The Rural Payments Agency has introduced the Slaughter Incentive Payment Scheme. The Scheme will run until 20 December with claims being capable of being made from 21 December to 31 January. To be eligible, pigs must not have been used for breeding; they must have a minimum deadweight of 25kg cold weight; and they must be slaughtered and processed in England. The meat must either be put into the Private Storage Aid scheme or exported.

III Grants/regulations/legislation/environment

- 1 The Farming Investment Fund, comprising the Farming Equipment and Technology Fund and the Farming Transformation Fund, has opened for applications. The deadline for FETF is 7 January and that for FTF 12 January.
- 2 Scotland has signed up to the 4 per 1000 initiative which aims to boost carbon storage in agricultural soils.
- 3 Defra and UKRI have awarded funding of £600,000 to PigProGrAm to produce a solution for the harvesting of green ammonia from pig waste.
- 4 The Forestry Commission and Forest Research have identified the tree pathogen *Phytophthora pluvialis* in Cumbria. The pathogen is a fungus which affects western hemlock, Douglas fir, tanoak and several pine species. It causes needle cast, shoot dieback and lesions on the stem, branches and roots.
- 5 The Scottish Government has created the Nature Restoration Fund with £55 millions available over 5 years.

IV Other matters of farm finance and tenure

- 1 The first estimate of Total Income from Farming in 2020 for the English regions has been published. TIFF for England was £2,597 millions with the South West achieving £509 millions; the East £471 millions; the East Midlands £405 millions; the South East £360 millions; the West Midlands £336 millions; Yorkshire and Humber £246 millions; the North West £168 millions; and the North East £102 millions. However, when the figures are converted into TIFF per hectare, the West Midlands is top at £361 followed by the East and the East Midlands on £337, the South East on £316, the South West on £284, Yorkshire and Humber on £220, the North West on £178 and the North East on £169.

- 2 In 2020, the Utilised Agricultural Area fell by 1.5 per cent to 17.3 million hectares, 71 per cent of all land in the UK; the total labour force on commercial holdings fell by 0.8 per cent to 472,000; agriculture's contribution to the national economy was 0.49 per cent while its share of employment was 1.44 per cent; more than a fifth of farms failed to achieve a positive farm business income while 26 per cent had farm business income in excess of £50,000; Total Income from Farming is estimated to be down by £768 millions to £4.1 billions; the value of gross output fell by £764 millions to £26.7 billions; the cost of intermediate consumption fell by £88 millions to £17.3 billions; gross value added fell by £676 millions to £9.4 billions; the Agricultural Price Index for outputs increased by 4.6 per cent while the index for inputs fell by 0.2 per cent; and total factor productivity of UK agriculture fell by 6.7 per cent. Employment in the agri-food sector fell by 1 per cent to 4 millions with the largest fall at 7.1 per cent in the wholesale sector.
- 3 Updated figures have been published for Farm Business Income largely relating to the 2020 harvest. The average for cereal farms was £71,700, up 14 per cent on 2019/20; for general cropping farms £66,900, down 21 per cent; for dairy farms £92,500, up 9 per cent; for lowland grazing livestock farms £18,400, up 97 per cent; for less favoured area grazing livestock farms £33,400, up 46 per cent; for pig units £48,000, up 27 per cent; for poultry units £77,700, down 12 per cent; for mixed units £40,200, up 39 per cent; and for horticultural units £52,900, up 25 per cent.
- 4 The Agricultural Price Index for outputs in the year to September rose by 7.8 per cent, compared to the year to September 2020 but, on a monthly basis, fell by 1.6 per cent compared to August. The index for inputs rose by 11.9 per cent and 0.5 per cent respectively.
- 5 The latest UK Forest Market Report, produced by Tilhill and John Clegg & Co, has reported that forestry values have increased by 21 per cent in the past year to £19,300 per stocked hectare with land valued at £200 millions covering 10,400 hectares changing hands.

V Product prices

A Market background

- 1 Sterling exchange rates were more volatile in November; moving in both directions against the Euro but weakening against the Dollar throughout the month. Opening at 84.4p per €, Sterling dropped to 85.9p, then improved to peak at 83.8p near the end of the month but fell back again to a late November close of 84.5p per € (0.7p weaker). Meanwhile, the US Dollar opened at 73.0p, with Sterling falling to a low of 75.3p, although a late recovery led to a November close at 74.9p per \$ (1.9p weaker).
- 2 Crude oil prices appeared to reach a peak at the start of the month, followed by an overall downward trend. With a \$13 price swing, Brent Crude fell from a starting position of \$83.72 per barrel to \$80.54, then peaked at \$84.78, before dropping back sharply to \$71.59; by late November it was back up to \$76.01 per barrel (down \$7.71 overall).

B Crops

- 1 Feed wheat prices continued to climb, reaching record levels, with milling premiums exceeding £40/tonne for most of the month, as the global grains news remained largely negative. The anticipated 'bumper yield' from Australia has been hampered so far by rain in Eastern regions, accentuating the already-questionable protein levels and further pressing the global milling wheat supply. Support also came from the growth in US demand for bioethanol. By contrast rain in southern South America appears to have assisted the maize and soya prospects. LIFFE feed wheat futures improved across the board again this month, albeit to a lesser extent in the longer term.

By late November, deliveries for November 2021, 2022 and 2023 were £225/tonne (+12), £210/tonne (+15) and £189/tonne (+4) respectively. Oilseed rape prices continued to rise early on, reflecting the continuing supply / demand imbalance, but held static for the remainder of the month. Price support has come from current crude oil levels and from lower than expected soya yield predictions from the USDA. The longer-term view is less bullish.

Average spot prices in late November (per tonne ex-farm): feed wheat £233 (+30); milling wheat £274 (+37); feed barley £210 (+16); oilseed rape £572 (+17); feed peas £233 (+3); feed beans £241 (+3).

- 2 The main source of potato prices, the AHDB Potato sector, ceased active operation in July 2021. A source of potato prices is being sought but no November average prices were available.

C Livestock

- 1 Average live-weight cattle prices remained split this month, with steer and heifer prices heading in different directions. The average finished steer price opened at 231p/kg lw and rose to 232p/kg before relaxing again; then after rising to 234p/kg the average fell to 228p/kg lw where it closed the month (down 3p, to sit 29p/kg above the closing average in November 2020). The average finished heifer price was more volatile: opening at 245p/kg lw, it fell sharply at the start of the month to 236p/kg before spending the remainder of the month climbing again to close at 244p/kg (down 1p, to sit 31p above the November 2020 average). The average dairy cow price remained volatile, swinging in both directions whilst still staying above £1,100 throughout: opening at £1,237, it dropped to £1,147, then peaked at £1,335 but closed the month back down at £1,214 (down £23 to sit £318 below the closing average a year earlier).
- 2 The average finished lamb price (SQQ live weight, new-season) was far more buoyant gaining 30p in the first half of the month and, after a minor relaxation, held that level. Market throughput was down this month, backing up reports of continued tight supply. From an opening position of 238p/kg lw the average peaked at 268p/kg mid-month and, after dropping marginally to 265p/kg, bounced back to a closing average of 268p/kg lw (up 30p, to sit 55p/kg above the average a year earlier).
- 3 The average UK all pig price (APP) fell again this month, but with a small mid-month recovery. The over-supply of pigs in the UK remains an issue: butcher numbers are still too low, European pig prices continue to fall and, more recently, Chinese import demand has dropped. Opening at 153.5p/kg dw, the average price dropped to 149.7p/kg, recovered to 151p/kg but eventually closed at 149.9p/kg dw (down 3.6 p to sit 8.8p/kg below the closing average a year earlier).
- 4 The UK average 'all milk' price for September, reported this month, recorded a gain of 0.46ppl, reaching an average of 31.72ppl (2.71ppl above the average a year earlier and 2.67ppl above the rolling 5-year average). The EU (ex UK) average for September, published this month, was 33.00ppl; an increase of 0.97ppl.

VI Other crop news

- 1 The final AHDB Cereal Quality Survey results show that the average specific weight of UK flour millers Group 1 varieties stands at 75.4kg/hl, the lowest since 2012, which is below the milling specification of 76kg/hl. The figures are 4kg/hl down on 2020 and 3.1kg/hl down on the previous 3-year average. Hagberg Falling Numbers stand at 286 seconds, 36 seconds below 2020, 33 seconds below the previous 3-year average and the lowest value since 2017. Average protein stands at 13.2 per cent, up 0.3 per cent on 2020 and 0.5 per cent on the previous 3-year average.

- 2 Total UK wheat availability is estimated to be 16.89 million tonnes, 2.36 million tonnes higher than a year ago but the second lowest since 2013/14, and import estimates have been reduced to 1.45 million tonnes. Human and industrial usage is forecast to be 7.28 million tonnes, up 11 per cent on last year. Home-grown human and industrial usage is forecast to be up 22 per cent at 6.22 million tonnes. Animal feed usage is forecast to be up 20 per cent at 7.21 million tonnes but close to the 5-year average. Overall the wheat balance is forecast to be 2.06 million tonnes, 441 million tonnes up on last year but the third lowest this century.
- 3 The International Grains Council has reduced its 2021/22 global wheat production forecast by 4 million tonnes to 777 million tonnes following Iran reporting its worst drought in 50 years during the 2021 growing season.
- 4 The AHDB Early Bird Survey for Plantings and Planting Intentions shows an increase in the wheat acreage of 1.3 per cent to 1.811 million hectares; the winter barley area is estimated to be 415,000 hectares, up 2.8 per cent on last year and above both the 5 and 10-year averages; spring barley is forecast to be down 7.7 per cent at 688,000 hectares; oats is forecast down 5 per cent at 189,000 hectares; oilseed rape is forecast to be up 12.9 per cent at 345,000 hectares; pulses are forecast to be down 5.1 per cent at 235,000 hectares; and arable fallow is forecast to be up 15 per cent at 306,000 hectares.
- 5 In 2020 the total croppable area in the UK fell by 1.8 per cent to 6 million hectares; the area of cereals fell by 5.4 per cent to 3 million hectares; and the area of oilseed rape fell by 24 per cent to 415,000 hectares. The wheat harvest fell by 40 per cent to 9.7 million tonnes, the lowest since 1981, while the value of the harvest fell by 36 per cent to £1.6 billions; the barley harvest increased by 0.9 per cent to 8.1 million tonnes but the value fell by 1.7 per cent to £1.1 billions; sugar beet production fell by 23 per cent to 6 million tonnes while the value fell by 18 per cent to £172 millions; vegetable production rose by 8.8 per cent to £1.6 billions; and fruit production increased by 16 per cent to £1 billion.
- 6 AHDB has reported that the nitrogen content of this year's barley crop, at 1.49 per cent, is the lowest since records began in 1977.
- 7 The Agricultural Price Index for September shows increases of 7.2 per cent for wheat, compared to a year earlier, 31.3 per cent for barley, 9.1 per cent for oats, 30.4 per cent for potatoes, 38.6 per cent for oilseed rape and 0.1 per cent for fresh vegetables but there were falls of 21.2 per cent for forage plants and 4.5 per cent for fresh fruit. Compared to August, there were increases of 2.7 per cent for wheat, 6.1 per cent for barley, 5.9 per cent for oilseed rape and 3.6 per cent for fresh vegetables but there were falls of 27.1 per cent for forage plants and 3.4 per cent for fresh fruit.
- 8 Planning permission has been granted for the first new grain distillery in Scotland for 10 years. The St. Boswell distillery in the Scottish borders is expected to consume 45,000 tonnes of wheat and 5,000 tonnes of barley annually.
- 9 Mintel has reported that oat 'milk' sales doubled in 2020 to £146 millions with a 37 per cent market share. Anglia Maltings, Frontier Agriculture and Camgrain have established Navara Oat Milling with a view to processing 250,000 tonnes of oats from a plant in Northamptonshire. It is estimated the oats growing area would need to increase by 45,000 hectares.
- 10 Scottish Enterprise and the Industrial Biotechnology Innovation Centre have endorsed proposals for 15,000 hectares of sugar beet to be grown in Scotland to feed a new biorefinery.
- 11 AHDB, Newcastle University, ADAS and the Stockbridge Technology Centre are collaborating in the North East to determine how farmers can use flowers to fight pests by attracting predatory insects.

- 12 Fischer Farms is building the world's largest vertical farm, a 25,000 sqm facility costing £25 millions at Easton in Norfolk. It will produce 6.5 tonnes of salad leaves, herbs and other fresh produce each day.
- 13 It is reported that up to half of greenhouse growers in the Lea Valley are planning to not grow crops in 2022 due to rising energy costs, lack of labour and low margins.
- 14 Sappi Rockwell Solutions has developed a recyclable, lightweight, heat seal lidding film for use in the fresh produce market.
- 15 Kropstek and Surexport are to collaborate on a research project to accelerate the strawberry growing season by one month.
- 16 Cornell University has discovered a gene which can prolong the firmness and flavour of tomatoes. The scientists found that inhibiting the expression of transcription factor SILOBI delayed the softening process.

VII Other livestock news

- 1 In 2020 the value of UK beef and veal increased by 4 per cent to £2.9 billions; the value of pig meat rose by 10 per cent to £1.4 billions; the value of mutton and lamb increased by 9.4 per cent to £1.3 billions; the value of poultry meat increased by 5.3 per cent to £8.2 billions; the value of milk and milk products fell by 1.8 per cent to £4.4 billions; and the value of eggs rose by 11 per cent to £730 millions.
- 2 In 2020 the total number of cattle and calves in the UK fell by 1.3 per cent to 9.6 million head; pig numbers decreased by 0.5 per cent to 5.1 million head; and sheep and lamb numbers fell by 2.6 per cent to 32.7 million head.
- 3 During October, UK prime cattle slaughterings fell 7.5 per cent, compared to a year earlier, to 160,000 head; beef and veal production fell by 7.8 per cent to 74,000 tonnes; sheep slaughterings fell by 11 per cent to 1,107,000 head; mutton and lamb production fell by 10 per cent to 25,000 tonnes; pig slaughterings fell by 2.9 per cent to 951,000 head; and pigmeat production fell by 1 per cent to 89,000 tonnes.
- 4 Registered births to dairy dams in the three months to September were up 4.2 per cent on the same period last year. Total registrations in the year to September are up 3.7 per cent and 3.1 per cent above the 5-year average.
- 5 Pilgrim's UK has bought Randall Parker Foods increasing its share of the British lamb market.
- 6 An Avian Influenza Prevention Zone has been declared across Great Britain with an enhanced zone with additional requirements in North Yorkshire. 15 cases of H5N1 have been notified in England. Apart from North Yorkshire, cases have been reported in Chanwood, Leicestershire; Wells, North Norfolk; Maldon, Essex; Mouldsworth and Chester, Cheshire; Copeland, Cumbria; Pokesdown, Dorset; Willington, Derbyshire; Fylde, Lancashire; Tendring, Essex; Bidford, Worcestershire; Wrexham, North Wales; and Wychavon, Worcestershire.
- 7 The Chief Veterinary Officers of the four home nations introduced new measures on 29 November whereby there will be a legal requirement for all bird keepers to keep their birds indoors and to follow strict bio security measures to combat the spread of avian flu.
- 8 Outbreaks of H5N1 avian influenza have been confirmed in Angus and Anglesey.
- 9 In October, average butterfat rose by 3.6 per cent, compared to September, to 4.32 per cent and by 0.8 per cent compared to a year earlier. Average protein rose by 1.6 per cent, compared to September, to 3.41 per cent but was down 1 per cent on a year earlier.

- 10 The Agricultural Price Index for September shows increases of 13.1 per cent for cattle and calves, compared to a year earlier, 11.8 per cent for sheep and lambs, 2.8 per cent for poultry, 9.3 per cent for milk and 8.5 per cent for eggs but a fall of 3.7 per cent for pigs. Compared to August there were increases of 0.2 per cent for poultry and 1.4 per cent for milk but falls of 0.8 per cent for cattle and calves, 3.3 per cent for pigs and 3 per cent for sheep and lambs.
- 11 During October, UK commercial layer chick placings rose by 22 per cent, compared to a year earlier, at 3.5 million chicks; broiler chick placings rose by 1 per cent at 112.9 million chicks; turkey chick placings fell by 1.7 per cent to 1.3 million chicks; turkey slaughterings rose by 4.1 per cent at 700,000 birds; broiler slaughterings fell by 7.5 per cent to 98.5 million birds; and total poultry meat production fell by 3.9 per cent to 176,800 tonnes.
- 12 The Welsh Government has published Our Animal Welfare Plan for Wales which aims to develop a national model for the regulation of animal welfare; improve the qualifications of animal welfare inspectors; to require CCTV in all slaughterhouses; and to restrict the use of cages for farmed animals.
- 13 A new outbreak of African Swine Fever has been confirmed in a large commercial premises of domestic pigs in eastern Germany. Frequent cases continue to be reported in Poland, Romania and Russia.
- 14 In the three months to September, estimated pig production costs fell to 178p/kg having peaked at 182p/kg in the previous quarter but costs remain 20p higher than a year earlier. On average estimated net margins stood at -15p/kg or -£13 per head in the quarter.

VIII Inputs/Supply businesses

- 1 September prices averaged £395/tonne for imported ammonium nitrate and it is suggested there have been further significant increases since.
- 2 The Veterinary Medicines Directorate has reported that the UK's use of antibiotics in livestock has reduced by 52 per cent since 2014 and is now one of the lowest in Europe.
- 3 Scientists at Wageningen University & Research have concluded that the European Commission's 'Green Deal' plan to halve pesticide usage and reduce the application of fertilizer will result in declining yields of agricultural crops with an average production decline of 10-20 per cent without taking into account the effect on quality and the resultant loss of demand by consumers.
- 4 The Agricultural Price Index for September shows increases of 19.4 per cent for energy and lubricants, compared to a year earlier, 55.8 per cent for fertilizers, 0.6 per cent for chemicals, 0.4 per cent for veterinary services, 10.9 per cent for straight feedingstuffs, 13.9 per cent for compound feedingstuffs and 23.6 per cent for buildings maintenance. Compared to August, there were increases of 3.3 per cent for fertilizers, 1.2 per cent for straight feedingstuffs and 0.1 per cent for building maintenance but a fall of 0.2 per cent for chemicals.
- 5 In association with Bactobio, the Agri-Tech Innovation Centre and Crop Health and Protection are to screen bacteria for use as a natural fungicide to control Septoria.
- 6 The Scottish Government has made amendments to the Water Environment (Controlled Activities) (Scotland) Regulations 2011 to improve controls on the storage of slurry and digestate to reduce leakage and more targeted spreading to maximise the nutrient benefit and reduce emissions.

- 7 NIAB and Microbiotech have developed a molasses bait spray to control Spotted-Wing Drosophila. The product is not attractive to beneficial insects.
- 8 The Chemicals Regulation Directorate has agreed to a one-year extension of the use of S7LLIT 400 SC in the control of apple and pear scab.

IX Marketing

- 1 The International Food Price Index for October shows an increase of 3 per cent, compared to September, and is now at its highest level since July 2011. The latest increase was primarily driven by higher world prices for cereals and vegetable oils. However, the Meat Price Index fell by 1 per cent, caused by a fall in demand from China and reduced imports from Brazil. The Cereal Price Index was up 3 per cent on the month and 22 per cent on the year while the Vegetable Oil Price Index rose by 10 per cent year-on-year to an all-time high.
- 2 In 2020 UK food, feed and drink exports fell by 15 per cent to £21.4 billions; imports fell by 6.2 per cent to £48 billions; and the trade gap in food, feed and drink increased by 2 per cent to £26.6 billions.
- 3 During September, the UK imported 28,500 tonnes of beef, 34 per cent up on both August and a year earlier. Ireland alone shipped an additional 5,100 tonnes. In the year to date, imports are up 3 per cent at 171,700 tonnes while the average value is up 8 per cent. Exports of beef totalled 8,300 tonnes, 8 per cent below August and 9 per cent below a year earlier, with Ireland taking 31 per cent less. In the year to date, exports are down 17 per cent at 72,000 tonnes although the average value is up 5 per cent.
- 4 The Foyle Food Group in Melton Mowbray has been approved to export beef to the US.
- 5 Exports of beef to the US totalled 1,211 tonnes in the 8 months to August while pig meat exports rose by 10 per cent to 4,600 tonnes.
- 6 In the three months to September, exports of UK dairy products were down 10 per cent, compared to a year ago, at 264,480 tonnes, and, in the year to date, exports are down 11 per cent at 889,319 tonnes. Imports are down 7 per cent and 9 per cent at 303,185 tonnes and 865,472 tonnes respectively. Butter exports rose by 34 per cent in the quarter to 15,300 tonnes with exports to the EU up 42 per cent. Exports of milk powders and concentrates rose by 16 per cent to 34,100 tonnes.
- 7 During September, UK exports of sheep meat fell by 16 per cent, compared to a year ago, to 6,500 tonnes, while imports fell by 38 per cent to 2,500 tonnes.
- 8 In September UK pork imports fell by 10 per cent, compared to a year earlier, at 64,000 tonnes while in the year to date imports are down 9 per cent at 526,400 tonnes. Exports in the month fell by 25 per cent to 24,900 tonnes while in the year to date exports are down 9 per cent at 262,000 tonnes.

X Miscellaneous

- 1 According to Kantar, there were 195 million fewer home-baked goods in the UK in the year to 8 August compared to the previous year and 14 million fewer than pre-pandemic in 2019. Savoury baking is down 12 per cent on the previous year and 16 per cent on 2019. Home-made bread fell by 28 per cent but home-made pizzas were up 5 per cent. Sweet baking has declined by 21 per cent but is still 9 per cent up on pre-pandemic levels.
- 2 NFU Mutual has reported that incidents of fires on farms increased by 40 per cent in 2020 at a cost of £69 millions. Fires in agricultural vehicles accounted for costs of a further £20 millions.

- 3 The Association of Labour Providers has reported that 85 per cent of food growers and manufacturers have experienced shortages of 'lower and unskilled workers' while 65 per cent have suffered 'chronic' shortfalls. 52 per cent are expected to rationalise or reduce their output in the coming months while 16 per cent are concerned their business will become unviable.
- 4 Bayer and Microsoft have formed a strategic partnership to build cloud-based tools and data science solutions which will address critical industry scenarios such as farming operations, sustainable sourcing, manufacturing, supply chain improvement and environmental, social and governance monitoring and measurement.
- 5 The Health and Safety Executive has reported that 11 people died in cattle related incidents in 2020/21.

Postscripts

A wife treats hubby by taking him to a strip club for his birthday.

At the club, the doorman says, "Hi Jim, how are you?"

The wife asks, "How does he know you?"

Jim says, "Oh dear, I play football with him."

Inside the bartender says, "The usual, Jim?"

Jim says to wife, "Before you say anything. He's on the darts team."

Next a stripper says, "Hi Jim! Do you crave the special again??"

The wife storms out dragging Jim with her and jumps into a taxi ...

The taxi driver says, "Hey Jimmy Boy? You picked up an ugly one this time ..."

Jim's funeral is on Sunday!!!

Eating in the 50s

Pasta was not eaten.

Curry was a surname.

A takeaway was a mathematical problem.

A pizza was something to do with a leaning tower.

Crisps were plain; the only choice we had was whether to put the salt on or not.

Rice was only eaten as a milk pudding.

A Big Mac was what we wore when it was raining.

Brown bread was something only poor people ate.

Oil was for lubricating, fat was for cooking.

Tea was made in a teapot using tea leaves and never green.

Sugar enjoyed a good press in those days, and was regarded as being white gold. Cubed sugar was regarded as posh.

Fish didn't have fingers.

Eating raw fish was called poverty, not sushi.

None of us had ever heard of yoghurt.

Healthy food consisted of anything edible.

People who didn't peel potatoes were regarded as lazy.

Indian restaurants were only found in India.

Cooking outside was called camping.

Seaweed was not a recognised food.

"Kebab" was not even word, never mind a food.

Prunes were medicinal.

Surprisingly, muesli was readily available, it was called cattle feed.

Water came out of a tap. If someone suggested bottling it and charging more than petrol for it, they would have become a laughing stock!

And the things that we never ever had on our table in the 50s and 60s: elbows or phones!

Monthly Farming Update

A little can go a long way!

It's that time of year when we like to give. You're probably thinking of gifts routed via Santa but spare a thought for the charity sector which has endured a rough time during the pandemic as most fundraising activities have been curtailed.

HM Revenue & Customs has published interesting figures on charitable donations. The figures cover the tax year 2019/20, those for 2020/21 are bound to be significantly worse.

The highest percentage of those donating were individuals in receipt of a pension, at 22 per cent, followed by those with primarily foreign income, at 19 per cent, and those employed at 15 per cent.

The average donation of each 'pensioner' was £1,770 and of those employed £1,660 but these figures were substantially exceeded by those with foreign income, at £36,570 and those in partnership, at £11,560.

Of perhaps more interest is the relationship between the average donation and the average level of income. Those with foreign income donated an average of 5.1 per cent of income followed by pensioners at 3.5 per cent, those primarily with property income 3.4 per cent, self-employed at 2.4 per cent, partners at 2.2 per cent and employees at 1.9 per cent.

It should be remembered that properly structured charitable donations can result in 25 per cent of the sum donated being additional income for the charity by way of recovery of tax relief while higher-rate taxpayers can attract a further discount on the cost of the donation.

There are many large, well known charities that provide relief worldwide but there are many local, small charities which do not have the same level of publicity and thereby ability to generate income.

Perhaps at this time of year, do a little research and give a little help to a local charity. Santa would approve!

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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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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