



CHAVEREYS

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# MONTHLY FARMING UPDATE

# November 2021



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## I Policy issues

- 1 The Government has launched a new, strengthened Trade and Agriculture Commission, to be chaired by Lorand Bartels, Professor of International Law, to provide expert scrutiny of new trade deals once they reach the signature stage. The Government has also created a cohort of international 'agri-food attachés' who will promote export opportunities for UK farmers and producers. A new Food and Drink Export Council will collaborate with counterparts in the devolved nations to promote UK exports.
- 2 The Government has published Net Zero Strategy outlining how the UK will deliver on its commitment to reach net zero emissions by 2050. The Strategy forecasts the creation of 440,000 jobs and the unlocking of £90 billions in investment by 2030. New investment includes an extra £350 millions to support the electrification of vehicles; £620 millions for targeted electric vehicle grants and infrastructure; the commercialisation of sustainable aircraft fuel; £140 millions for the Industrial and Hydrogen Revenue Support scheme to accelerate industrial carbon capture and hydrogen use; £500 millions towards innovation projects to develop green technologies; £3.9 billions for decarbonising heat and buildings; £124 millions for the Nature for Climate Fund; and £120 millions for the Future Nuclear Enabling Fund.

## II Reform

- 1 A report published by the Environment, Food and Rural Affairs Select Committee, Environmental Land Management and the agricultural transition, states 'considerable uncertainty remains about how the 7-year transition will affect English farming and there is a risk that farmers will resort to less environmentally sustainable methods to make up for lost income, leave the sector or go out of business entirely.' It recommends that Defra explains how it intends to set payment rates for the Sustainable Farming Incentive in 2024 and called for them to be increased if participation in the 2022 Incentive was low.
- 2 While the consultation into the lump sum exit scheme and delinked payments closed on 11 August, the Defra report is unlikely to be published until near the end of the year. Defra received 654 responses.
- 3 The Welsh Government has paid 97 per cent of claimants 70 per cent of their 2021 Basic Payments.

## III Grants/regulations/legislation/environment

- 1 The Annual Progress Report of the 25 Year Environment Plan has been published, covering the year to March 2021. Highlights include the first Clean Air Zone being launched in Bath; a commitment to ending all sales of petrol and diesel cars and vans by 2030; a Transport Decarbonisation Plan; funding to expand Catchment Sensitive Farming; the creation of a Storm Overflows Taskforce; the development of a new Slurry Investment Scheme; funding to deal with pollution when abandoned metal mines are closed; the creation of five Local Nature Recovery Strategy pilots; a National Delivery Partnership to support the Nature Recovery Network; nine biodiversity net gain pilots; legislation for the UK's sixth carbon budget; the Green Recovery Challenge Fund; and the Trees Outside Woodland Project.

- 2 The Farming Innovation Programme has opened for applications with £17.5 millions available in the first round. The first fund to open is the 'Industry-led R&D Partnerships Fund' where farmers, growers, foresters and businesses can apply for funding to develop new technologies and practices such as the use of artificial intelligence and low-emission machineries.
- 3 The UK Biodiversity Indicators have been published for 2021. Improvements have been seen in taking action for nature; volunteer time spent in conservation; the area of land in agri-environment schemes; the area of forestry land certified as sustainably managed; the areas affected by air pollution, particularly acidity and nitrogen; the total areas of protected land; the condition of Sites of Special Interest; wintering water birds; bats; sheep, cattle and goat breeds; the plant generic resources – enrichment index; the removal of greenhouse gases by UK forests; and public expenditure on UK biodiversity. However, there have been deteriorations in terrestrial invasive species; the state of UK habitats and species of European importance; farmland, woodland and wetland birds; pig and horse breeds; and the status of pollinating insects.
- 4 DEFRA has reported that in 2019, UK agriculture was the source of 10 per cent of all greenhouse gas emissions, 68 per cent of nitrous oxide emissions, 47 per cent of methane emissions and 1.7 per cent of carbon dioxide emissions.
- 5 The Environment Bill is to be strengthened with an amendment resulting in a duty enshrined in law to ensure that water companies secure a progressive reduction in the adverse impacts of discharges from storm overflows.
- 6 The Environment Agency has launched a consultation on its draft Flood Risk Management Plans which sets out how the Agency and Lead Local Flood Authorities will manage flood risk in at-risk areas. The consultation closes on 21 January. A further consultation, which closes on 22 April, concerns the draft River Basin Management Plans and how organisations, stakeholders and communities will work together to improve the water environment over the ensuing six years.
- 7 The Environment, Food and Rural Affairs Select Committee has demanded the Environment Agency reviews its interpretation of the Farming Rules for Water. The matter relates to the application of organic fertilizer in the autumn for a spring crop.
- 8 The Scottish Government has announced that the Agri-Environment Climate Scheme will reopen for funding in 2022 and will continue through to 2024. Farmers, crofters and land managers can apply for grants to assist with the conversion to and maintenance of organic land as well as measures to promote low carbon farming.
- 9 AHDB has secured funding of £500,000 from BBSRC for research into more sustainable agricultural systems. Areas prioritised include improving the sustainability of cropping systems; the management of organic materials; improving the performance of grasslands; livestock breeding and management for improved climate resilience; precision farming and management; and sustainable management of pests, weeds and diseases.
- 10 UK Soil Health Initiative has produced six new guides featuring key practical points farmers can do to improve soil health on their farms.
- 11 Natural Environment Investment Readiness Fund has awarded £80,000 to Allerton Research and Educational Trust to develop a tool to help farmers 'increase the amount of carbon stored in their hedges and trade carbon credits.'
- 12 Santander UK, Gatwick Airport, Capita and Southern Co-op are among companies which aim to raise £240 millions by 2030 for peatland, woodland, wetland and grassland restoration in the UK's national parks.

- 13 The Scottish Government has created a National Test Programme which will begin next Spring with funding of £51 millions. The Programme will encourage farmers and crofters to learn about how their work impacts on climate and nature and will include financial support to carry out carbon audits and nutrient management plans.
- 14 Defra has published its Implementation Plan for the Healthy Bees Plan 2030. The Implementation Plan involves effective biosecurity and good standards of husbandry to minimise pest and disease risks; enhanced skills and production capability and capacity of beekeepers and bee farmers; sound science and evidence underpinning the actions to support honey bee health; and increased opportunities for knowledge exchange and partnership working on honey bee health and wider pollinator needs.
- 15 Hybu Cig Cymru has published 'Perfecting the Welsh Way', a report providing a range of practical steps for farmers which would make a difference to agriculture's environmental footprint.
- 16 A study by University College, London has found that honeybee colonies increase the distance between young and old bees during an infestation of varroa mites.
- 17 The number of outbreak sites in Kent and East Sussex of the larger eight-toothed European spruce bark beetle has increased to 13.
- 18 In the year to date, the only confirmed sighting of an Asian Hornet has been in Ascot, Berkshire early in October.

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

- 1 The Autumn Budget included an increase in the National Living Wage of 6.6 per cent from next April to £9.50 per hour for those 23 and over; the Annual Investment Allowance of £1 million has been retained until March 2023; the Annual Tax charge on Enveloped Dwellings will increase by 3.1 per cent next April; a temporary business rates relief for eligible retail, hospitality and leisure properties for 2022/23 which will reduce business rates bills by at least 50 per cent; the multiplier for business rates for all businesses will be frozen in 2022 for one year; a new business rates relief will encourage property improvements; three-yearly business rates revaluations from 2023; and a change in the deadline for reporting disposals of residential property and paying Capital Gains Tax from 30 to 60 days.
- 2 Savills has reported an increase of 1.5 per cent in UK land prices in 2020.
- 3 The Agricultural Price Index for August shows that outputs rose by 12.7 per cent, compared to a year earlier, and by 0.3 per cent compared to July. The index for inputs increased by 11.8 per cent and 0.4 per cent respectively.
- 4 The NFU Mutual has suggested that half of farmers do not have a succession plan although the number who have has risen from 42.3 per cent in 2020 to 48.6 per cent in 2021.
- 5 Trinity AgTech and AHDB are to collaborate to focus on environmental sustainability and profitability calculations.
- 6 Promar and Figured have formed a partnership to provide real time financial data for Promar advisers and clients.

## V Product prices

### A Market background

1 Sterling, with the usual levels of volatility, strengthened against the Dollar and the Euro this month. Opening at 86.1p per €, Sterling improved to peak near the end of the month at 84.1p but relaxed marginally to close at 84.4p per € (1.7p stronger). The US Dollar opened the month at 74.3p, with Sterling gaining ground to peak at 72.3p but falling back in the final week to close at 73.0p per \$ (1.3p stronger). Crude oil prices continued to rise for much of the month but finished with a marked change in direction. With a price swing of over \$7, Brent Crude rose from a starting position of \$78.31 per barrel to peak at \$85.82, before dropping back in the final week to finish the month at \$83.72 per barrel (up \$5.41).

### B Crops

1 Feed wheat prices climbed steadily throughout the month, with milling tracking at least £30/tonne above. Globally, supply remains tight with signs that Russia has overestimated yields, manifesting in the form of reduced Russian export levels; and despite anticipation of a bumper yield from Australia, where harvest is just kicking off. The market could see material swings in coming months as Australian results emerge. LIFFE feed wheat futures improved across the board this month, with higher levels of volatility in the longer-term pricing. By late October, deliveries for November 2021, 2022 and 2023 were £213/tonne (+17), £195/tonne (+14) and £185/tonne (+11) respectively. Oilseed rape prices have continued to rise, albeit with volatility mixed in, as demand still outstrips supply significantly. With the Australian harvest still in its early stages, little information is available but with current demand levels it is expected that even a good yield will not satiate demand throughout the season.

Average spot prices in late October (per tonne ex-farm): feed wheat £203 (+15); milling wheat £237 (+19); feed barley £194 (+19); oilseed rape £555 (+24); feed peas £230 (+13); feed beans £238 (+13).

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 September average prices were available.

### C Livestock

1 Cattle prices were less predictable in October with steer and heifer prices diverging but improving in both cases nonetheless. The average finished steer price opened at 229p/kg lw and fell to 226p/kg in the first fortnight; a jump of 9p mid-month saw the average peak at 235p before closing the month at 231p/kg, (up 2p, to sit 37p above the closing average a year earlier). The average finished heifer price was less volatile and more positive: opening at 240p/kg lw, it rose steadily over the course of the month to close at 245p/kg (up 5p, to sit 37p above the price a year earlier). The average dairy cow price remained steady for the first half of the month before regaining its volatility and climbing over £200 before dropping back, whilst remaining above £1,100 throughout: opening at £1,106, it peaked at £1,372 but closed the month at £1,237 (up £131 to sit £10 below the closing average a year earlier).

2 The average finished lamb price (SQQ live weight, new-season) jumped 12p in the first week and, despite some relaxation mid-month, kept buoyant as the supply remains tight, with a similar outlook. From an opening position of 223p/kg lw the average peaked at 236p/kg early and fell back to 233p before improving again to reach a closing average of 238p/kg (up 15p, to sit 42p/kg above the average a year earlier).

- 3 The average UK all pig price (APP) continued to fall for the third month in succession, as the supply of pigs for slaughter remains in excess of demand, exaggerated by the lack of butchers and delivery drivers. Opening at 159.8p/kg dw, the average price dropped each week, eventually closing at 153.5p/kg dw (down 6.3 p to sit 8.0p/kg below the closing average a year earlier).
- 4 The UK average 'all milk' price for August, reported this month, recorded a gain of 0.78ppl, reaching an average of 31.26ppl (3.21ppl above the average a year earlier and 2.36ppl above the rolling 5-year average). Early indications of the September average are a further 0.45ppl increase. Meanwhile the EU (ex UK) average for August, published this month, was 31.97ppl; an increase of 0.45ppl.

## **VI Other crop news**

- 1 Provisional harvest results for England and Scotland show that wheat production increased by 45 per cent to 14 million tonnes as a result of a 13 per cent yield increase and a 29 per cent area increase; barley production fell by 12 per cent to 7.1 million tonnes mainly due to a 30 per cent fall in the spring barley area; oats production increased by 11 per cent to 1.1 million tonnes due to a 17 per cent yield increase although the planted area fell by 5.1 per cent; oilseed rape production fell by 5.9 per cent to 977,000 tonnes due to a 20 per cent reduction in the planted area partly compensated by an 18 per cent yield increase.
- 2 The average yield of AHDB winter wheat Recommended List control varieties this year was 10.82 tonnes per hectare, just above the five-year average of 10.81 tonnes per hectare. The average yield of the spring wheat control varieties was 7.57 tonnes per hectare, ahead of the five-year average of 6.8 tonnes per hectare.
- 3 The total utilised agricultural area in the UK fell in the year to 1 June by 0.8 per cent to 17.1 million hectares. While the area of total crops increased by 1.8 per cent, the area of permanent grassland fell by 1.6 per cent. Fallow arable land fell by 27 per cent.
- 4 The Barley Industrial Training Network has secured funding with an estimated value of £9 millions to support 30 post graduate researchers with four-year studentships to help the industry reach net zero carbon emissions and to make the crop climate resilient.
- 5 In the year to 1 June, the total area of horticultural crops in the UK fell by 3.1 per cent to 161,000 hectares including a 5.1 per cent fall in the area of vegetables and salads.
- 6 The Agricultural Price Index for August shows increases of 14 per cent for wheat, compared to a year earlier, 34 per cent for barley, 3.2 per cent for oats, 15.4 per cent for potatoes, 45 per cent for oilseed rape, 41.7 per cent for forage plants, 11.4 per cent for fresh vegetables and 26.7 per cent for fresh fruit. Compared to July there were increases of 9.2 per cent for barley, 0.2 per cent for oats, 0.9 per cent for oilseed rape and 11.1 per cent for fresh fruit but falls of 16 per cent for wheat, 100.5 per cent for forage plants and 5.2 per cent for fresh vegetables.
- 7 In 2021, the area of horticultural crops in England fell by 4.7 per cent, compared to a year earlier, to 131,000 hectares.
- 8 AHDB has reported material declines in the Septoria resistance ratings for many winter wheat varieties on the 2022/23 Recommended List, in particular those with Cougar in their parentage.

- 9 Research conducted by British Apples and Pears and Royal Agricultural University has suggested that homegrown apples are the most environmentally friendly of those on sale in the UK. The report suggests that 93 per cent of growers use biodiversity measures to encourage insects, 80 per cent work with local beekeepers and 90 per cent are using weather and crop monitoring technology to 'grow fruit smarter'.

## **VII Other livestock news**

- 1 The total number of cattle and calves in the UK fell by 0.9 per cent in the year to 1 June, to 9.5 million head; the female breeding pig herd fell by 2.2 per cent to 393,000 head while the number of fattening pigs grew by 4.9 per cent to 4.8 million head; and the sheep and lamb population fell by 0.9 per cent to 32.4 million head with a fall in lamb numbers of 1.6 per cent to 16.2 million head a fall of 0.6 per cent in the female breeding flock to 15.3 million head.
- 2 The Welsh Government has launched a consultation on its proposals for livestock movements along with the proposed implementation of the Bovine Electronic Identification scheme.
- 3 The latest UK Farm Animal Genetic Resources Inventory shows that between 2017 and 2021, the population of native cattle breeds increased in 9 cases but fell also in 9 cases; sheep had increases and decreases in 14 cases; pigs had 8 decreases with no increases; and goats had 5 increases with no decreases. In cattle there were increases of 47 per cent in Luing, 29 per cent in Belted Galloway, 16 per cent in Beef Shorthorn, 13 per cent in British Friesian, 4 per cent in Jersey and 2 per cent in Aberdeen-Angus but falls of 14 per cent in Dexter, 16 per cent in English Longhorn, 17 per cent in South Devon, 20 per cent in Sussex, 25 per cent in Ayrshire, 29 per cent in Welsh Black and 32 per cent in Dairy Shorthorn. In sheep there were increases of 29 per cent in Poll Dorset, 22 per cent in Ryeland, 16 per cent in Bluefaced Leicester and 3 per cent in Dalesbred but falls of 4 per cent in Swaledale, 6 per cent in Suffolk, 9 per cent in Exmoor Horn, 22 per cent in Lleyn and 47 per cent in Llandoverly Whiteface Hill.
- 4 In September, UK prime cattle slaughterings fell by 5.3 per cent, compared to a year earlier, to 161,000 head; beef and veal production fell by 5.5 per cent to 74,000 tonnes; sheep slaughterings fell by 16 per cent to 1.014 million head; mutton and lamb production fell by 15 per cent to 23,000 tonnes; pig slaughterings rose by 0.8 per cent to 917,000 head; and pigmeat production rose by 0.8 per cent to 85,000 tonnes.
- 5 The Agricultural Price Index for August shows increases of 14.6 per cent for cattle and calves, compared to a year earlier, 7.9 per cent for sheep and lambs, 3.6 per cent for poultry, 13 per cent for milk and 7.8 per cent for eggs but there was a fall of 2.8 per cent for pigs. Compared to July, there were increases of 1.9 per cent for cattle and calves, 0.1 per cent for poultry and 3.1 per cent for milk but falls of 0.6 per cent for pigs and 6.2 per cent for sheep and lambs.
- 6 At 1 June, Scottish cattle numbered 1.72 million head, up 0.5 per cent on a year earlier. Sheep numbers rose 1.6 per cent to 6.83 million head.
- 7 The Beef Feed Efficiency Programme has developed a tool which can calculate which animals and sire groups eat less than others but achieve the same growth rate. It will also enable the rate of reduction of beef-related greenhouse gas emissions to be accelerated by 27 per cent over a 20-year period.

- 8 Arla has launched a new set of organic standards which will require producers to convert to 100 per cent renewable energy, increase the minimum number of days cows are on grass from 120 to 150 and conduct self-assessments on soil health and biodiversity. Organic Arla farmers will be required to achieve a 30 per cent reduction in CO<sub>2</sub> emissions per kilo of milk by 2028.
- 9 In September, average butterfat rose by 2 per cent, compared to August, to 4.17 per cent but was unchanged on a year earlier. Average protein rose by 1.9 per cent, compared to August, to 3.36 per cent but was down 1 per cent on a year earlier.
- 10 Arla has increased its standard manufacturing litre by 0.9 ppl to 33.52ppl but the organic price remains unchanged at 40.98ppl.
- 11 AHDB has agreed to fund a temporary off-farm cull and render service with capacity for 2,500-3,000 pigs per week.
- 12 Bulgaria has reported four outbreaks of African Swine Fever in domestic pigs since July, one of which affected a farm with 13,000 animals. Estonia has reported five outbreaks in domestic pigs, Poland 119, Romania 340 and Russia 92. Germany has only reported cases in wild boar but spread has been in a westerly direction.
- 13 A report by the WWF and Tesco has suggested that feeding insect protein to pigs and poultry could cut UK soya imports by 20 per cent.
- 14 AHDB and Quality Meat Scotland have agreed a pork levy holiday in November which should save producers £1m.
- 15 The highly pathogenic avian influenza HPAI H5N1 is reported to be spreading in wild birds along the wildfowl migration flyway in northern Germany and Denmark. The species affected, particularly wigeon and mallard, will migrate to the UK with wigeon numbers expected to peak in December at over 300,000. The risk level in the UK is therefore increasing and a case at a wildbird rescue centre in Worcestershire was confirmed on 26 October.
- 16 In the three months to September, UK egg packing stations packed 7.8 million cases of eggs, 1.7 per cent up on a year earlier but 0.9 per cent down on the June quarter. The average farm-gate price was 89.7 per dozen, 11 per cent up on a year earlier and 1.3 per cent up on the June quarter. The production of egg products totalled 21,400 tonnes, 19 per cent up on a year earlier and 0.6 per cent up on the June quarter.
- 17 In 2021, the total number of breeding and laying fowl in England increased by 1.2 per cent, compared to a year earlier, to 33.4 millions with the number of broilers increasing by 6.3 per cent to 98 millions. The number of horses on commercial holdings fell by 1.8 per cent to 150,000 while the number of goats fell by 3 per cent to 88,000.
- 18 In September, UK commercial layer chick placings were unchanged, compared to a year earlier, at 2.4 million chicks; broiler chick placings fell by 2.4 per cent to 88.5 million chicks; turkey chick placings fell by 7.7 per cent to 1.6 million chicks; turkey slaughterings fell by 17 per cent to 500,000 birds; broiler slaughterings fell by 1 per cent to 87.9 million birds; and total poultry meat production fell by 2.2 per cent to 154,000 tonnes.

## **VIII Inputs/Supply businesses**

- 1 Following a 3-week period of Government support, CF Fertilisers has reached agreement with CO<sub>2</sub> customers on the price to be paid for CO<sub>2</sub>.

- 2 N2 Applied has reported results of sustainable fertilizer testing revealing that practically all ammonia emissions were successfully trapped in converted cow manure when applied to fields. The company has developed plasma conversion technology which can eliminate ammonia emissions.
- 3 Dry Ice Scotland has developed a means of refining gas produced as part of the anaerobic digestion process to produce food grade CO<sub>2</sub>.
- 4 The Chemicals Regulation Division has approved the use of Argos from UPL as a suppressant on potatoes. The product is made from d-limonene extracted from oil from orange peel.
- 5 The Agricultural Price Index for August shows increases of 0.7 per cent for seeds, compared to a year earlier, 21.4 per cent for energy and lubricants, 47.2 per cent for fertilizers, 1.7 per cent for chemicals, 0.4 per cent for veterinary services, 15 per cent for animal feedingstuffs, 4.8 per cent for vehicle maintenance and 26.2 per cent for building maintenance. Compared to July there were increases of 1.5 per cent for energy and lubricants, 4.1 per cent for fertilizers, 1.4 per cent for chemicals and 3.8 per cent for building maintenance while there were falls of 1.5 per cent for animal feedingstuffs and 0.5 per cent for vehicle maintenance.
- 6 Life Scientific has been granted an Extension of Authorisation for Minor Use for the herbicide Basilico for use on spring and winter linseed.

## **IX Marketing**

- 1 Latest Kantar data shows that, following a 20 per cent increase in the volume of meat and poultry purchases from butchers in 2020, sales in the 12 weeks to 5 September fell by 21.1 per cent year-on-year compared to a fall of only 4.1 per cent across all retailers. Meat and poultry sales are now down 4.4 per cent compared to two years ago. The main cause of the decline is a significant fall in shopper numbers with, in the 12-week period, 400,000 fewer shoppers than in 2020 and 200,000 fewer than in the same period in 2019.
- 2 China has banned imports of British beef from cattle under 30 months of age following an isolated case of classical BSE in a deceased cow in Somerset. The Philippines has joined the ban.
- 3 Exports of beef in August totalled 9,000 tonnes, 7 per cent down on July but 7 per cent up on a year earlier. In the year to date, exports have totalled 63,500 tonnes, down 18 per cent on a year earlier. Imports in August totalled 21,000 tonnes, 5 per cent up on July and 16 per cent above a year earlier. In the year to date, imports are 2 per cent down at 142,000 tonnes.
- 4 The UK's first 'Trust in Food' Index, launched by Red Tractor and YouGov has revealed that 48 per cent of consumers regard high standards and regulations as important. Of over 3,500 respondents, 70 per cent considered that inspection and assurance schemes played the most important role in ensuring the UK's food is safe and of good quality. 74 per cent recognised the Red Tractor scheme compared to 47 per cent who recognised RSPCA Assured.
- 5 Kantar has reported that consumers buying milk from milkmen rose to a peak of 670,000 in July, up from 503,000 pre-pandemic. While numbers have fallen back, they are still 21 per cent above 2019 levels. Furthermore, remaining consumers have increased their volume purchases by 2.3 per cent.

- 6 Dairy exports in the period January-August continue to lag behind the same period in 2020. Powdered and concentrated milk is down 25 per cent, yoghurt and buttermilk 31 per cent, whey and whey products 36 per cent, butter and other dairy fats 22 per cent and cheese and curd 20 per cent. In the same period, imports fell by 18 per cent, 3 per cent, 30 per cent, 31 per cent and 19 per cent respectively. However, milk and cream imports are up 17 per cent although exports are down 5 per cent.
- 7 A survey conducted by Sustain has revealed that only 5 per cent of respondent farmers want to sell to supermarkets whereas 80 per cent are keen to sell to food hubs, independent retailers, other local markets or through box schemes. 75 per cent considered they would achieve better prices, 30 per cent thought it would better support climate change and nature objectives and 42 per cent believed it would provide better business resilience.
- 8 During August, imports of pigmeat rose by 2 per cent, compared to a year earlier, but year-on-year are down 9 per cent on 2020 at 460,100 tonnes. The August increase was entirely caused by a 21 per cent increase in bacon imports. Exports in the month fell by 6 per cent and year-on-year are down 7 per cent at 233,600 tonnes. Only exports of offal have recorded an increase at 35 per cent.
- 9 Puffin Produce, based in Pembrokeshire, has launched Root Zero, potatoes which are certified as carbon neutral and are grown using sustainable farming practices. Root Zero are being sold in 200 co-op stores.
- 10 Waitrose, Riverford, Abel and Cole, Agrico, Sarpo, Shea Organics, RBOrganic and Produce World have signed up to the UK Robust Potato Pledge 2021 to sell disease resistance organic potatoes which have been bred to be blight resistant.
- 11 A new Leek Growers promotional campaign has been launched this month.

## **X Miscellaneous**

- 1 In 2021, the total number of people working on agricultural holdings in England fell by 1.4 per cent, compared to a year earlier, to 297,000. Farmers, business partners, directors and spouses account for 60 per cent of the total workforce but saw a decrease of 1.7 per cent.
- 2 In 2020, there were 263,000 dwellings classified as second homes in England, with 97,700 in Predominantly Rural areas and 138,500 in Predominantly Urban areas. In Predominantly Rural areas, 1.8 per cent of dwellings are classed as second homes, double the percentage in Predominantly Urban areas. The highest concentrations are North Norfolk 9.8 per cent, Isles of Scilly 8.8 per cent, South Hams, Devon 8.3 per cent and Cornwall 5.1 per cent. There were 479,300 empty dwellings in Predominantly Rural areas and 318,600 in Predominantly Urban areas with the overall percentage standing at about 1.9 per cent. The North East had the highest percentage at 2.7 per cent while London had the lowest at 1.7 per cent. The Predominantly Rural areas with the highest percentage were the Isles of Scilly and Eden in the North West with 3.2 per cent followed by Stratford-upon-Avon at 3 per cent.
- 3 A survey carried out by RABI has suggested that 36 per cent of farmers are probably or possibly depressed. A survey which precipitated 15,000 responses found the issue was more likely to be prevalent in the dairy and pig sectors and in Less Favoured and lowland grazing sectors.

## Postscripts

1. So you think politicians know more about medicine than Dr. Fauci? Well then, Zeb here from the town council will be doing your colonoscopy.
2. Brain cells, hair cells and skin cells – they all die constantly, but fat cells seem to have eternal life.
3. Four CEOs of beer companies are having a meeting and they decide to get a drink.

The CEO of Budweiser orders a Bud Light.

The CEO of Miller orders a Miller Lite.

The CEO of Coors orders a Coors Light.

The CEO of Guinness orders a Coke.

The three CEOs then ask him, “Why aren’t you ordering a Guinness?” He replies, “If you guys aren’t drinking beer, then neither will I!”

4. Tip of the day: blow on the wine in your coffee mug to convince the rest of the zoom meeting that it is tea.
5. Every woman’s dream is that a man will take her in his arms, throw her into bed and clean the house while she sleeps.
6. Diet tip: If you think you’re hungry, you might just be thirsty. Have a bottle of wine first and then see how you feel.
7. The biggest lie I tell myself is “I don’t need to write that down, I’ll remember it.”
8. For an additional £4.95 we will provide a receipt that matches what you told your spouse you paid.
9. Don’t let them take your temperature on your forehead as you enter the supermarket because it erases your memory. I went for macaroni and cheese and came home with two cases of beer.
10. It’s a five-minute walk from my house to the pub.  
It’s a 35-minute walk from the pub to my house.  
The difference is staggering.
11. Today I saw a dwarf climbing down a prison wall.  
I thought to myself  
That’s a little condescending.
12. I got myself a seniors’ GPS. Not only does it tell me how to get to my destination, it tells me why I wanted to go there.
13. I don’t always go the extra mile, but when I do it’s because I’ve missed my exit.

# Monthly Farming Update

## They'll never pick it up!

Have you heard the statement 'they'll never pick it up'?

Of course, you would never hear this uttered in the office of a professional firm!

While this may have been true to say of the past, it is certainly not the case today and there is no doubt the ability of HM Revenue & Customs (HMRC) to become aware of taxable transactions has multiplied exponentially in recent years.

HMRC has developed the Connect Computer System, at a cost to you and me running into 9 figures, excluding the pence. Some have nicknamed it the 'snooper computer' but, whatever, it has fingers that can extend into multiple pies.

Further, HMRC may not be your best friend but, surprisingly, it has friends all over the globe and they send each other pen pal letters. These letters relay information on what UK residents are up to in overseas territories. So if, for example, a property owned in Spain is sold but not declared to UK HMRC, there is a strong likelihood a letter will, sooner or later, arrive on the vendor's doormat.

Closer to home, there has been a massive uptake in property letting caused by the 'staycation season', legal or otherwise. Some may take the view 'they'll never pick it up'.

Last year, AirBnB settled with HMRC a tax claim relating to individuals who had not declared letting income. As part of the deal, AirBnB agreed to disclose all letting income received by hosts. HMRC also has the power to access the databases of holiday booking sites and the Connect computer is so sophisticated it can trace the information to taxpayers' records in milliseconds.

The pandemic has been no fun for anyone, serious for many. Some have enjoyed your property, for a fee, for their pleasure. Do not give HMRC any pleasure as a consequence.

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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