



CHAVEREYS

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MONTHLY FARMING UPDATE

June 2021



June 2021

I Policy issues

- 1 The Government is reported to be close to agreeing a zero-tariff trade deal with Australia with tariffs being phased out over 15 years including those on beef and lamb.
- 2 The Government has set out its strategy to eradicate bovine TB by 2038. There will be an acceleration on the development of a cattle vaccine accompanied by increased cattle testing. The licensing of intensive badger culling will end in 2022 and new schemes will be launched towards badger vaccination across the whole country. A trial is to be conducted covering 250sq kilometres in East Sussex costing £2.27 millions and the results will be used to formulate further vaccination schemes.
- 3 Amendments have been made to the Environment Bill. A legally binding target for species will be introduced to halt the decline of nature. A new Nature for Climate Peatland Grant Scheme will make £50 millions available between 2021 and 2025 to restore 35,000 acres of degraded peatland in England. Tree planting rates during the course of this Parliament are set to treble with funding of £500 millions from the Nature for Climate Fund with the objective of having at least 12 per cent of woodland cover by 2050. A Species Reintroduction Taskforce will work on the reintroduction of species which have been lost to England, such as wildcat, and also introduce declining species into new areas to help populations recover. Measures will be introduced to reduce sewage discharges from store overflows.
- 4 The Government has announced an Enhanced Trade Partnership with India which will enable UK producers to export apples, pears and quince.

II Reform

- 1 Defra has issued proposals whereby, in 2022, farmers who wish to exit the industry will have the option of taking a lump sum instead of receiving further direct payments. It also plans to delink direct payments in 2024 replacing the Basic Payment Scheme meaning that farmers will no longer need to comply with the rules of the Scheme nor actually to continue farming. A consultation process has opened seeking views of the eligibility criteria and the method of calculation of the lump sum and the reference period to be used to determine eligibility for and the calculation of the delinked payments. The consultation closes on 11 August.
- 2 Defra has received over 2,000 applications to be a pilot for the Sustainable Farming Incentive which is due to start in October. Successful candidates will by now have been advised and will be asked to develop their applications.

III Grants/regulations/legislation/environment

- 1 The International Coordination of Research on Infectious Animal Diseases is to provide funding of £3 millions to the Pirbright Institute to conduct research into bovine respiratory syncytial virus in cattle, porcine reproductive and respiratory syndrome virus in pigs and African swine fever virus.
- 2 Defra has released GL43, a general licence allowing an authorised person to release into the wild a specified number of common pheasants or red-legged partridges in areas that would otherwise be unlawful.

- 3 The England Trees Action Plan has been published. Its aims are to support a wide range of woodland types and establishment methods with grant funding; relating base payment rates to the benefits provided; provide support for tree planting, woodland creation and management and agroforestry; support the establishment of Forests 4 Cornwall, the Northumberland Forestry Partnership and develop 3 new Woodland Creation Partnerships; expand forests by entering into leasehold agreements with owners of land suitable for afforestation; widen the eligibility of tree planting and tree health grant schemes to give access to more public bodies; give guidance to local authorities to develop local tree and woodland strategies; provide grants and guidance to support natural colonisation through the England Woodlands Creation Offer; initiate 10 Landscape Recovery projects between 2022 and 2024; research the potential to restore vacant and derelict land to woodland; provide grants and support for riparian planting using over 100 water catchment partnerships, collaborate with water companies to exceed their target of planting 11 million trees by 2030; extend the Urban Tree Challenge Fund; make changes to the National Planning Policy Framework such that there is an expectation that trees should be incorporated in new developments and that streets should be tree lined; support nurseries and seed suppliers to enhance domestic tree production; and provide a Nursery Notification Scheme.
- 4 Owners and managers of trees and woodlands in England are being encouraged to participate in the pilot of the Tree Health Scheme which will start in August. Measures will include biosecure felling and treatment of diseased or infested trees. The scheme will also support the restocking and maintenance of newly re-planted trees following a pest or disease outbreak. The pilot will last for 3 years and the new scheme will be fully implemented in 2024.
- 5 In 2020, 489,000 hectares were farmed organically in the UK, an increase of 0.8 per cent on 2019, driven by an increase of 12 per cent in the area of in-conversion land. However, the area has fallen by 34 per cent since the peak of 2008 and only represents 2.8 per cent of the total farmed area. Permanent pasture accounts for 62 per cent of the organic area followed by temporary pasture at 20 per cent and cereals at 9 per cent. Sheep reared organically fell by 13 per cent to 678,000, 2.1 per cent of the UK flock; pigs decreased by 7.6 per cent to 31,000, 0.6 per cent of the UK herd; cattle fell by 8.9 per cent to 274,000, 2.8 per cent of the UK herd; but poultry increased by 2 per cent to 3.5 millions, 1.9 per cent of the UK flock. The organic area was 4.9 per cent of the total farmed area in Wales, 3.3 per cent in England, 1.7 per cent in Scotland and 0.8 per cent in Northern Ireland. In England the main organic area is the South West with Yorkshire and Humber having the lowest area. There were 5,754 registered organic producers and processors in the UK with 4,307 in England, 701 in Wales, 541 in Scotland and 205 in Northern Ireland. Overall there was a fall of 6.1 per cent.
- 6 Natural England is to create a Species Reintroduction Taskforce to consider the reintroduction of species which have been lost to England, such as wildcat, and the introduction into new areas of declining species such as pine marten, dormice, corncrake, short-haired bumblebee and large blue butterfly.
- 7 Defra has published the England Peat Action Plan. A detailed peat map will be developed by 2024; peatland restoration covering 35,000 hectares will be funded between 2021 and 2025; a Lowland Agricultural Peat Taskforce will report by next summer on recommendations for a more sustainable future for lowland agricultural peatlands; a consultation on the ban of the sale of peat and peat containing products will be published later this year; and the managed burning of peat will be phased out.

- 8 An outbreak of American Foulbrood has been found in a hive of bees in Perthshire.
- 9 The provisional England 'waste from households' recycling rate for the period April to June 2020 was 45 per cent, down 3.4 per cent on the same period in the previous year. Metal recycled added 1.1 per cent to the recycled rate, up from 0.8 per cent. Total waste fell by 3.3 per cent to 5.7 million tonnes.

IV Other matters of farm finance and tenure

- 1 The first estimate of UK Total Income from Farming for 2020 has been published. TIFF is estimated to have been £4,119 millions, down 15.7 per cent on 2019. GVA, agriculture's contribution to the overall economy, was £9,435 millions, down 6.7 per cent. While input costs were almost unchanged, there were falls in TIFF of 10 per cent for crops and 20 per cent for diversified activities but a rise of 3.4 per cent in livestock output. TIFF per unit of entrepreneurial labour, that is owners and other unpaid labour, fell by 21 per cent to £20,562. Of the total output, vegetables represented 18 per cent, wheat 17 per cent, plants and flowers 15 per cent, barley 12 per cent, fruit 12 per cent, potatoes 9 per cent, oilseed rape 4 per cent and forage plants 2 per cent. The value of livestock output was £15,072 millions with increases of 6.7 per cent for livestock meat overall, 7.3 per cent for cattle meat, 7.4 per cent for poultry meat and 11 per cent for eggs but a fall of 1.8 per cent for milk. Of the total livestock output, milk represented 29 per cent, cattle 19 per cent, poultry 19 per cent, pigs 10 per cent, sheep 9 per cent and eggs 5 per cent. Total inputs fell by 0.5 per cent to £17,282 millions with increases of 16.8 per cent for seeds, 9.6 per cent for chemicals and 1 per cent for animal feed but there were falls of 7.3 per cent in the cost of energy and 17 per cent in fertilizers. Total employee costs rose by 2.5 per cent despite a fall in the labour force.
- 2 The first estimate of Total Factor Productivity of agriculture in 2020 in the UK has been published. TFP is estimated to have fallen by 6.7 per cent from the highest level ever achieved in 2019. The volume of all outputs fell by 6.3 per cent with falls of 12.4 per cent in crops, 0.6 per cent in livestock meat and 0.4 per cent in livestock products. The volume of inputs increased by 0.5 per cent. In outputs, cereals fell by 26 per cent to the lowest level since 1981; oilseed rape fell by 41 per cent; sugar beet fell by 23 per cent; sheep fell by 4.3 per cent; eggs fell by 0.4 per cent; and poultry fell by 3.8 per cent. However, there were increases for milk at 0.1 per cent, cattle at 2.8 per cent, pigs at 2.3 per cent and other animals at 3.8 per cent. In outputs, animal feed increased by 21 per cent and seeds by 16.6 per cent but fertilizer use fell by 6.2 per cent.
- 3 The aggregate agricultural output in Wales increased by 6 per cent in 2020 to £1.7 billions; the cost of goods increased by 1 per cent to £1.2 billions; gross value added increased by 18 per cent to £548 millions; and total income from farming increased by 25 per cent to £322 millions. Output from cattle increased by 16 per cent to £437 millions; output from sheep increased by 15 per cent to £313 millions; and output of livestock products fell by 1 per cent with dairy down 2 per cent but eggs up 16 per cent.
- 4 The agricultural price index for outputs for March rose by 2.9 per cent compared to February while the index for inputs rose by 0.4 per cent.
- 5 Morrisons is to transfer 25 per cent of its annual apprenticeship levy funds, amounting to £2 millions, to support employers in its supply chain.

V Product prices

A Market background

1 Sterling gained against the Euro and the Dollar this month, having been more diverse the month before. The Euro / Sterling exchange rate opened the month at 87.0p per € and rose to a mid-month high of 85.6p before falling back to 86.7p; a final surge at the month end saw Sterling close at 86.0p per € (up 1.0p). Against the US Dollar, which opened the month at 71.9p, Sterling gained steadily for much of the month reaching a late peak of 70.3p and, after some minor volatility, it closed the month at 70.4p per \$ (up 1.5p). The volatility of crude oil prices increased this month and, despite a mid-month fall, the average price improved. Brent Crude, from a starting position of \$67.25 per barrel, peaked above \$69 twice and dropped to \$65.11 before closing the month at \$69.46 per barrel (up \$2.21).

B Crops

1 Cereal prices were suppressed, albeit still around the £200/tonne mark, by European weather this month as the combination of warmer spring temperatures and healthy levels of rainfall gave crops the boost they needed; however, improved expectations for the global maize market and profit-taking by speculative traders on maize futures also factored. Milling premiums have fallen back to between £9 and £11/tonne. LIFFE feed wheat futures settled back, leading to a far flatter price profile for 2021 and 2022 harvest. By late May, deliveries for November 2021 and 2022 were £175/tonne (-15) and £166/tonne (-4) respectively whilst March 2023 deliveries had fallen back to £171/tonne (-4) and May 2023 deliveries were up to £173/tonne. Oilseed rape prices remained volatile but, with fresh concerns over the outcome of the 2021 harvest and tight supply on 2020 crop, the average price exceeded £500 per tonne in the latter part of the month. A stronger Pound and reduced crop pressure saw the average relax at the end of the month, despite buoyant crude oil prices.

Average spot prices in late May (per tonne ex-farm): feed wheat £195 (-3); milling wheat £204 (-8); feed barley £184 (+15); oilseed rape £492 (+59); feed peas £212 (+11); feed beans £218 (+11).

2 The average potato price for 2020 crop closed lower this month, having peaked slightly higher first. Trade picked up marginally over the course of the month but the positive impact of the bank holiday weekend and expectations of a delayed 2021 harvest were cancelled out by schools and colleges being closed for half term. Early stage development of the 2021 crop has been held back by low soil temperatures and wet weather, which has now, in most areas, started to unwind. By late May the average potato price had dropped from its opening position of £185/tonne, having peaked at £189, to close at £181/tonne (down £4 and £22 below the May 2020 closing average). The free-buy average, having opened at £153/tonne, rose to £160/tonne before falling back to a closing average of £135/tonne (down £18 overall and £69 below the average a year earlier).

2020 crop prices for grade 1 packing, in late May (per tonne ex-farm): Maris Piper had improved at the lower end to between £310 and £350; Reds had gained materially to between £225 and £290; whilst white varieties had dropped significantly at the top end, despite quality remaining, to between £30 and £130; salad varieties were improved at between £280 and £400.

C Livestock

- 1 Cattle prices fell back by a small margin this month. The average finished steer price, from an opening position of 223p/kg lw, dropped back mostly in the final stages to close at 217p/kg (down 6p, to sit 28p above the closing average a year earlier). The average finished heifer price followed a similar trend, opening at 229p/kg lw and falling back, mostly in the final week, to 222p/kg (down 7p, to sit 26p above the price a year earlier). The average dairy cow price remained buoyant and, despite a mid-month fall, closed at a similar level: opening at £1,342, it dropped to £1,218 and rose to £1,396 before closing slightly down at £1,321 (down £21 to sit £79 above the closing average a year earlier).
- 2 The average finished lamb price (SQQ live weight) shifted from old-season to new-season this month. The average, from an opening position of 291p/kg lw, rose to 296p/kg before dropping back to 268p/kg; the switch to new season saw a material jump and led to a closing average of 324p/kg lw (up 33p, to sit 73p/kg above the average a year earlier).
- 3 The average UK all pig price (APP) continued its improving trend throughout the month. Opening at 147.9p/kg dw, the average improved week on week to close the month at 153.0p/kg dw (up 5.1p to sit 13.7p/kg below the closing average a year earlier).
- 4 The UK average 'all milk' price for March, reported this month, recorded a fall of 0.19ppl to an average of 29.72ppl (1.14ppl above the average in March 2020 and 1.56ppl above the rolling 5-year average of 28.16ppl). The EU (ex UK) average for March, published this month, was 0.46ppl lower at 30.97ppl.

VI Other crop news

- 1 UK wheat stocks are forecast to be 302,000 tonnes short of demand this season and the availability for 2021/22 is forecast to be 1.35 million tonnes below the 2015-2020 average.
- 2 The John Innes Centre has called upon governments to fund a new international research platform to reduce the impact of wheat pathogens and improve global food security. The JIC wants a coordinated approach to deliver a new 'R-Gene Atlas' to identify genetic solutions conferring disease resistance for crops. It is estimated that 20 per cent of the world's projected wheat yield is lost to pests and pathogens.
- 3 Rothamsted Research has applied to commence field trials of the first gene edited wheat in Europe. Researchers have developed wheat plants in which the potential of the grain to produce a contaminant acrylamide is reduced by two-thirds. Acrylamide, which becomes asparagine during baking, is considered to be carcinogenic.
- 4 AHDB has announced it is winding down activities on behalf of the horticulture and potato sectors. Areas affected including export market access, international trade event work, consumer marketing campaigns and market pricing.
- 5 UK oat availability in 2020/21 is estimated to be 1.16 million tonnes, down 4 per cent on 2019/20. However, stocks at the end of 2020/21 are estimated to be up 54 per cent at 164,000 tonnes, the highest since 2013/14, mainly due to a fall in exports. Demand for oats is expected to rise 2 per cent year on year to 954,000 tonnes while 536,000 tonnes are forecast to be milled, down 3 per cent on 2018/19. Oats for animal feed is expected to be 384,000 tonnes in 2020/21, the highest figure on record.
- 6 Dutch vegetable seed breeder Bejo has entered a research and commercial licence agreement with Corteva Agriscience and the Broad Institute of MIT and Harvard, a biomedical and genomic research centre, to access CRISPR-Cas9 intellectual property for genome editing.

- 7 The agricultural price index for March shows increases of 2.7 per cent for wheat, compared to February, 1.1 per cent for barley, 7.4 per cent for potatoes, 11.7 per cent for oilseed rape, 2.9 per cent for forage plants, 3.7 per cent for fresh vegetables and 16.4 per cent for fresh fruit but there was a fall of 2.5 per cent for oats. Compared to a year earlier there were increases of 43.7 per cent for wheat, 27.8 per cent for barley, 6.7 per cent for oats, 29 per cent for oilseed rape, 154.8 per cent for forage plants and 6.5 per cent for fresh vegetables but there were falls of 17.9 per cent for potatoes and 5.4 per cent for fresh fruit.
- 8 The potato area within the North-western European Potato Growers zone is forecast to have been reduced by 3 to 5 per cent this year.
- 9 Scientists at the Department of Plant Sciences at Oxford University have discovered how the process of fruit ripening in tomatoes can be accelerated or slowed by modifying the expression of a protein located in the plastids, or subcellular organelles.
- 10 Seed company TomaTech has identified DNA markers which can be correlated to the resistant traits for the Tomato Brown Rugose Fruit Virus.

VII Other livestock news

- 1 Defra has published the Action Plan for Animal Welfare and has introduced The Animal Welfare (Sentience) Bill in Parliament which will formally recognise vertebrate animals as sentient beings and will ensure that animal sentience is taken into account when developing Government policy. An Animal Sentience Committee will be set up comprising a range of animal experts.
- 2 Data from the British Cattle Movement Service suggests the Great Britain cattle population was 7.7 million head at the end of March, 0.8 per cent lower than a year earlier. The number of dairy females increased by 3 per cent but dairy males fell by 4 per cent, beef males by 0.6 per cent and beef females by 0.1 per cent. The breeding herd fell by 2 per cent.
- 3 UK prime cattle slaughterings in April fell by 3 per cent, compared to a year earlier, to 165,000; beef and veal production fell by 0.4 per cent to 73,000 tonnes; sheep slaughterings fell by 8.2 per cent to 859,000; mutton and lamb production fell by 6.3 per cent to 20,000 tonnes; pig slaughterings rose by 5 per cent to 959,000; and pigmeat production rose by 6.6 per cent to 87,000 tonnes.
- 4 During March, liquid milk production rose by 10.4 per cent, compared to February, to 520 million litres; cheese production rose by 19.3 per cent to 44,800 tonnes; butter production rose by 33.4 per cent to 21,100 tonnes; and milk powder production rose by 88.2 per cent to 9,100 tonnes.
- 5 Muller has increased the price paid to farmers in the Muller Advantage programme to 28.25ppl.
- 6 AHDB estimates of Great Britain pig production costs show an increase of 10p/kg in the first quarter to 174p/kg, the highest on record. With the APP falling to 145p/kg, producers were losing an average of £26/head.
- 7 First Milk has increased the price of a manufacturing standard litre by 0.5ppl to 29.93ppl.
- 8 In April, UK butterfat fell by 2.3 per cent to 4.16 per cent but it was up 1.1 per cent on a year earlier. Protein rose by 0.4 per cent to 3.35 per cent and was up 0.9 per cent on a year earlier.
- 9 Yew Tree has increased the price of liquid contracted supplies by 2ppl to 29.1ppl.

- 10 The agricultural price index for March shows increases of 3.4 per cent for cattle and calves, compared to February, 1.4 per cent for pigs, 9.5 per cent for sheep and lambs and 0.7 per cent for poultry but a fall of 1.8 per cent for milk. Compared to a year earlier there were increases of 15.7 per cent for cattle and calves, 21.9 per cent for sheep and lambs, 1.1 per cent for poultry, 3.7 per cent for milk and 11 per cent for eggs but a fall of 19.4 per cent for pigs.
- 11 Crediton Dairy has increased its standard litre price by 0.5ppl to 30ppl.
- 12 In the first quarter, births to dairy dams in Great Britain rose by 5.9 per cent, compared to the same period in 2020, to 403,400, 7.5 per cent above the 5-year average and the highest first quarter in over 10 years.
- 13 Meadow Foods has increased the price of a standard A litre by 1.25ppl to 30ppl.
- 14 In 2020/21, Scottish farmers produced 1.5 billion litres of milk of which 84 per cent was processed in Scotland and 16 per cent in England. Milk production fell by 0.4 per cent due to a 1.6 per cent fall in the milking herd partly offset by a 1.2 per cent increase in yields.
- 15 Following the expiry of the first three-year contract, Muller and Lidl are offering farmers a new contract, again for three years, whereby up to 50 per cent of milk supplied will attract a price of 29ppl while the remainder will receive the Muller Direct price.
- 16 In 2020/21, Welsh farmers supplied 2 billion litres of milk of which 50 per cent was processed in Wales and 50 per cent in England. Of the milk processed in Wales, 94 per cent was used to make cheese.
- 17 Arla has increased its price by 0.44ppl taking the price of conventional milk to 33.23ppl and the organic price to 41.59ppl.
- 18 The global Dairy Price index fell by 1 per cent in 2020 with butter down 13.5 per cent year on year, whole milk powder down 4.5 per cent, skim milk powder up 6.8 per cent and cheese up 2.1 per cent. Global milk production rose by 2 per cent.
- 19 The EU has reported that pigmeat production rose by 1 per cent in January and February. Production in Denmark grew by 16 per cent but there were falls of 4 per cent in Germany and 3 per cent in France.
- 20 The Government has removed the tariff on imported molasses used in animal feed.
- 21 UK commercial layer chick placings fell by 2.2 per cent, compared to a year earlier, to 3.6 million chicks; broiler chick placings rose by 3.9 per cent to 115.8 million chicks; turkey chick placings rose by 7.4 per cent to 1.2 million chicks; turkey slaughterings fell by 3.6 per cent to 600,000 birds; broiler slaughterings fell by 3.1 per cent to 109.6 million birds; and total poultry meat production fell by 3.8 per cent to 186,600 tonnes.

VIII Inputs/Supply businesses

- 1 The Soil nutrient balances for England in 2019 have been published. A surplus or deficit represents the difference between the inputs, in the form of manures, mineral fertilizers, atmospheric deposition and biological fixation, and the outputs in the form of crop production, fodder production and grazing. Based on the mass per hectare, for Nitrogen the overall figure was 75.9kg with the North West top at 111.4kg followed by the South West at 110.2kg, West Midlands at 107.2kg, Yorkshire and Humber at 71.2kg, East Midlands at 65.7kg, South East at 48.8kg, North East at 43.8kg and the East bottom at 34.9kg. For Phosphorus the overall figure was 3.2kg per hectare with the North West top at 10.2kg followed by the South West at 9kg, West Midlands at 9.2kg, Yorkshire and Humber at 2.8kg and East Midlands at 0.7kg while the North East had a deficit of 0.7 kg, the South East a deficit of 1.2kg and the East a deficit of 4.8kg. Whilst a shortage of nutrients can limit soil productivity, a surplus can pose environmental risks.

- 2 Eden Research and Yorkshire farmer MH Poskitt are trialling a fungicide derived from common mugwort to protect against late blight in potatoes.
- 3 The Chemicals Regulation Division has ruled that the sale and open field sowing of any seed treated with metalaxyl-M products must cease on 30 June. The product is widely used in fungicide seed treatments for peas, beans and sugar beet.
- 4 The agricultural price index for March shows increases of 3.3 per cent for energy and lubricants, compared to February, 4.2 per cent for fertilizer, 0.3 per cent for vehicle maintenance and 1.1 per cent for building maintenance while there were falls of 1.3 per cent for chemicals, 0.4 per cent for veterinary services and 1.2 per cent for animal feedingstuffs. Compared to a year earlier there were increases of 5 per cent for seeds, 2.5 per cent for energy and lubricants, 17.7 per cent for fertilizer, 15.4 per cent for animal feedingstuffs, 3.1 per cent for vehicle maintenance and 8.7 per cent for building maintenance while there were falls of 4.5 per cent for chemicals and 0.1 per cent for veterinary services.
- 5 Although Defra previously gave emergency authorisation for the treatment of sugar beet seed with thiamethoxam, a neonicotinoid, the forecast area to be affected by beet yellows virus was found to be below the minimum threshold and so the authorisation has been withdrawn.
- 6 Emergency authorisation has been granted for the use of InSyst (acetamiprid) in sugar beet as an additional aphicide.

IX Marketing

- 1 AHDB has launched 'Beige is Beautiful', a campaign to encourage consumers to include whole grains in a healthy, balanced diet.
- 2 In 2020, the UK was 87 per cent self-sufficient in dairy fats but the deficit rose to 97,897 tonnes caused by shortfalls in fermented products at 11,017 tonnes, whey at 1,000 tonnes, butter at 11,442 tonnes, cheddar at 6,639 tonnes, mozzarella at 3,036 tonnes and other cheeses at 94,182 tonnes. The UK was 93 per cent self-sufficient in dairy protein but again the deficit rose to 40,244 tonnes mainly caused by a fall in the surplus from milk.
- 3 A survey by the British Guild of Agricultural Journalists has revealed that 77 per cent of those polled believe the standards of imported food should match those maintained on British farms; 55 per cent consider it is important food is produced to a low carbon footprint; 42 per cent would be happy to pay more for food with a lower carbon footprint; 49 per cent are more likely to buy British food as a result of Brexit; 46 per cent are more likely to buy British food as a result of the pandemic; 38 per cent always buy the cheapest option; and 30 per cent only buy food which has the Union Jack or Red Tractor logo on the packaging.
- 4 During the Easter period, volume sales of beef rose by 45 per cent, lamb by 42 per cent and pork by 25 per cent but sales of whole chicken fell.
- 5 Between July 2020 and March 2021, the UK imported 503,730 tonnes of oilseed rape, considerably above the 5-year average of 221,900 tonnes, with rape oil up 71 per cent and rape meal up 55 per cent.
- 6 According to Kantar, in the year to January, retail spend on milk increased by 9.7 per cent to £3.37 billions. Of the total, 48 per cent is used in tea, 28 per cent in coffee, 28 per cent on cereal, 7 per cent is drunk and 2 per cent is used as an ingredient. Retail volumes grew by 7.8 per cent with semi-skimmed up 11.4 per cent, UHT up 17.5 per cent and filtered up 23.5 per cent.

- 7 Exports of pigmeat in the first quarter rose by 31 per cent, compared to a year ago, to 63,000 tonnes with the value up 42 per cent to £110 millions. Sheepmeat exports rose by 30 per cent in volume and by 46 per cent in value to £6.6 millions.
- 8 Exports of food and live animals to the EU fell by 28 per cent, or £659 millions, in the first quarter but in March the year on year fall was only 2 per cent although there was a fall of 10 per cent in meat and meat preparations. Exports to the rest of the world fell by 6 per cent, or £73 millions, to £1.1 billions. Imports of food and live animals from the EU fell by 14 per cent to £5.8 billions while those from the rest of the world rose by 3 per cent.
- 9 In the year to January, cream sales rose by £96 millions to £490 millions while clotted cream volumes rose by 38.3 per cent.
- 10 During March, Irish cattle slaughter fell by 6.1 per cent on the same period in 2020 and by 13.4 per cent in the first quarter. Exports in the first quarter fell by 22 per cent while those to Great Britain fell by 38 per cent.
- 11 Argentina has banned beef exports for at least 30 days in an effort to control rising inflation.
- 12 Apex-Brasil, the Brazilian Trade and Investment Promotion Agency, has reported that exports of sugar and alcohol to the UK grew by 21 per cent in the first quarter, compared to a year earlier, following agreement that 260,000 tonnes of raw cane sugar could enter the UK without a tariff.
- 13 Watercress has applied for Traditional Speciality Guaranteed status.

X Miscellaneous

- 1 Graham Ward OBE, well known in Horticulture, has died.
- 2 Andrew Hogley has been appointed chief executive of British Wool.
- 3 Mairi Gougeon is the new Rural Economy Minister for Scotland succeeding Fergus Ewing.

Postscripts

Dairying around the World!

- Communism - You have 2 cows. The state takes both and gives you some milk.
- Socialism - You have 2 cows. You give one to your neighbour.
- Fascism - You have 2 cows. The state takes them both and sells you some milk.
- Bureaucratism - You have 2 cows. The state takes them both, shoots one, milks the other and throws the milk away.
- Capitalism - You have 2 cows. You sell one and buy a bull. Your herd multiplies and the economy grows. You sell the herd and retire.
- Venture Capitalism - You have 2 cows. You sell 3 of them to your Plc, then execute a debt/equity swap so that you get all 4 cows back with a tax exemption for 5 cows. The milk rights of 6 cows are transferred to a Cayman Island company you secretly own which sells the 7 cows back to your company.
- Italian Company - You have 2 cows but do not know where they are. You have a siesta.
- French Company - You have 2 cows. You go on strike, riot and block the roads because you want 3 cows.
- US Company - You have 2 cows. You sell one and force the other to produce the milk of 4 cows. You have a consultant to find out why the cow has died.
- Swiss Company - You have 5,000 cows which don't belong to you. The owners are charged for you storing them.
- Irish Company - You have 2 cows. One is a horse.
- Australian Company - You have 2 cows. Business is good. You close the farm office and go for a beer.
- Chinese Company - You have 2 cows and 300 people milk them. You have full employment and high productivity. The newsman who reported the real situation is arrested.
- Indian Company - You have 2 cows. You worship them.
- British Company - You have 2 cows. Both are mad.
- Greek Company - You have 2 cows. You eat them both. The banks cannot collect their milk so you call the IMF which loans you 2 cows. You eat them too. The banks and the IMF come to collect their milk/cows. You are out getting a haircut.

Monthly Farming Update

AHA – changes to the law me think!

The Agricultural Holdings (Requests for Landlord's Consent or Variation of Terms and the Suitability Test) (England) Regulations 2021 was laid before Parliament last week.

The regulations concerning the Suitability Test are expected to come into force in September 2024, the other regulations will be effective later this month.

The regulations enable a tenant to refer a request to arbitration, or third-party determination by agreement with the landlord, where a landlord's consent or variation of a tenancy is required to enable a tenant to apply for financial assistance under the Agriculture Act 2020. The arbitrator or third party may order the landlord to comply with the request or make an award as between the landlord and tenant as considered reasonable.

Part 3 of the regulations sets out the criteria which a tribunal must consider when determining if an application is suitable to succeed to a tenancy. Apart from considering the applicant's capacity and capability to farm the holding commercially, experience, training and skills in agriculture and business management, financial standing and character, the tribunal must be satisfied that, if the applicant had applied in an open competition that a prudent and willing landlord would be expected to regard the applicant as an appropriate candidate for the tenancy.

We welcome feedback on the MFU.

Does this issue raise any questions in your mind?

Would you like more information on a particular item?

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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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