



CHAVEREYS

CHAVEREYS.CO.UK

MONTHLY FARMING UPDATE

March 2024



March 2024

I Policy issues

- 1 The Government has committed to support profitable farming businesses, improve food security and protect the British agricultural sector. Grants to farmers are expected to total £427 millions in the coming year with investment in productivity schemes doubled. An annual UK-wide Food Security Index will capture and present data needed to monitor levels of food security and the Farm to Fork Summit will be an annual event.
- 2 The Scottish Government has refused to commit a saving of £46 millions from the agricultural budget to future budgets. Only £16 millions of the £62 millions savings has been added to the 2024/25 budget.

II Reform

- 1 According to Defra, as of 14 February, over 10,000 farmers, one-in-eight of those eligible, have applied for the Sustainable Farming Incentive. 174,000 hectares of arable land is being managed without insecticides, 71,000 hectares of low input grassland is focused on improving sustainability and 15,000 km of hedgerows are under management.
- 2 NFU Wales has called the Welsh Government's proposed Sustainable Farming Scheme nothing short of 'economic suicide.' It claims there will be 5,500 job losses with similar losses in the wider supply chain.

III Grants/regulations/legislation/environment

- 1 An enlarged nature reserve in Devon has been declared the third in the King's Series of National Nature reserves. The reserve is being extended by 90 hectares to connect the River Otter with its historic estuarian floodplain to create a new wetland habitat and will further connect with the lowland heathlands of Pebblebeds Heaths National Nature Reserve.
- 2 The winners of the On Farm Environmental Resilience competition have been announced with 24 projects sharing £12.2 millions. Lambda Agri has been awarded £400,000 to develop enhanced polycarbonate sidings to greenhouses to provide extra red light, reducing the need for LED lighting and reducing electricity costs. Wye Hops has been awarded £475,000 to develop environmentally adapted hop varieties.
- 3 Defra has announced funding of £25 millions for 40 projects which will use natural processes such as planting trees and creating wetlands to reduce the risk of flooding. The projects will be managed by the Environment Agency.
- 4 2024 is the final year that funding of £4 millions will be available from the Scottish Government for slurry storage and irrigation lagoons.
- 5 Grants which have been announced to improve lowland peat soils include £327,500 to the Lancashire Wildlife Trust for a wetter farming trial; £100,200 to Groundwork Cheshire, Lancashire and Merseyside to investigate the re-wetting of areas of Lindow Moss; £65,000 to National Trust, Cheshire to produce a costed water-management plan; £55,000 to the Mersey Rivers Trust to develop knowledge of lowland peat soils; £342,000 to Yorkshire Wildlife Trust to investigate raising water levels on 7 farms; £264,000 to Reedness and Swinefleet Internal Drainage Board for a hydrological study at the Thorne, Crowle and Goole Moor Peatlands; and £160,000 to the Vale of Pickering Internal Drainage Board to consider water management in the River Hertford catchment area.

- 6 Results from the UK Butterfly Monitoring Scheme for England show that 2022 was an average year with 46 per cent falling in abundance from the previous year despite being the warmest on record. The long-term smoothed trend for butterflies in the wider countryside on farmland shows little change since 1990 but that for woodland is significantly downward although in the short term neither habitat shows any significant change. Farmland butterflies showing long-term decline include small tortoiseshell, wall, gatekeeper, large skipper, small copper and Essex skipper while large skipper also decreased since 2017. Brimstone, marbled white, ringlet, speckled wood and white-letter hairstreak have all increased over the long-term. The decline of woodland butterflies is thought to be due to a lack of woodland management and loss of open spaces in woods. Those in decline include common blue, large skipper, marbled white, peacock, wall, small tortoiseshell, small copper, Essex skipper and gatekeeper with only the ringlet showing an increase. In the 'all-species' index, those in long-term decline include the heath fritillary, wall, wood white, small tortoiseshell, white-letter hairstreak and pearl-bordered fritillary. In the short-term, silver-washed fritillary and small pearl-bordered fritillary declined. Those which recorded long-term increases include the dark-green fritillary, silver-spotted skipper, black hairstreak, ringlet, silver-washed fritillary, comma, holly blue and speckled wood. Those showing a short-term increase include the chalk hill blue and the dingy skipper.
- 7 Over £7 millions has been awarded to 517 businesses in 2023 from Scotland's Agri-Environment Climate Scheme. This will increase to £27 millions over the lifetime of the contracts.

IV Other matters of farm finance and tenure

- 1 With effect from 12 February, all major housing developments are required to deliver at least a 10 per cent Biodiversity Net Gain. The Government has committed funding of £10.6 millions to help local authorities recruit and expand ecologist teams.
- 2 Data on Agriculture in the UK in 2022 has been published.
- the Utilised Agricultural Area fell by 2.2 per cent to 17 million hectares covering 69 per cent land in in the UK
 - the total croppable area was unchanged at 6 million hectares
 - the cereal crops area fell by 1.7 per cent to 3.2 million hectares
 - the oilseeds area increased by 13 per cent to 398,000 hectares
 - the beef herd fell by 1.5 per cent to 1.5 million head; the dairy herd fell by 0.4 per cent to 1.8 million head
 - pig numbers fell by 2.5 per cent to 5.2 million head while the female breeding herd fell by 14 per cent to 343,000 head
 - sheep and lamb numbers fell by 1 per cent to 18.8 million head
 - the workforce fell by 0.7 per cent to 471,000
 - average Farm Business Income rose by 55 per cent to £72,000 although 10 per cent of farms failed to achieve a positive return
 - Total Income from Farming increased by 17 per cent to £7.9 billions
 - Agriculture's contribution to the economy increased by 15 per cent to 0.6 per cent of GDP
 - Total Factor Productivity increased by 3.4 per cent

- direct payments to farmers fell by 3 per cent to £3,213 millions; Basic Payment Scheme payments fell by 7.9 per cent to £2,603 millions; and payments linked to agri-environment schemes increased by 0.5 per cent to £357 millions.
- 3 AHDB farm performance figures for England show some startling differences between the top 25 per cent and the bottom 50 per cent. The difference in cereal farms was £104,060; beef and sheep farms £49,200; and dairy farms £126,500. The principal reasons were considered to be managing overheads; attention to detail; attitude to change; and setting goals and budgets.
 - 4 During December, the Agricultural Price Index for outputs fell by 6.7 per cent, compared to a year earlier, but increased by 0.6 per cent compared to November. The index for inputs fell by 10.6 per cent and 0.4 per cent respectively.
 - 5 Defra has approved increases to the AHDB Producer levies. From April the levy on cattle excluding calves will be £5.06/head; calves £0.10/head; lamb £0.75/head; cereals £0.58/t; oilseeds £0.94/t; dairy £0.08ppl; and pigs £1/head.
 - 6 Having announced in January that VAT rules would no longer apply to double-cab pickups for capital allowance and benefit-in-kind purposes, the guidance has been withdrawn following protests from the farming and motoring industries. Now, double cab pickups will continue to qualify as goods vehicles where they have a payload of one tonne or more.
 - 7 Economists from the American Farm Bureau Federation have forecast that American farmers face their largest recorded year-to-year fall in net farm income in 2024, down by \$40 billions.
 - 8 Saga Robotics, a Norwegian technology company, has raised \$11.5 millions to continue its research into replacing traditional tractors and manual labour with artificial intelligence-powered robots. The autonomous robots, named Thorvald, reduce plant diseases and promote sustainable food production with lower CO2 emissions and a 60-90 per cent reduction in pesticides.

V Product prices

A Market background

- 1 Sterling saw little change in the month against both the Euro and the US Dollar. After starting the month against the Euro at 85.2p, Sterling briefly touched 85.6p before strengthening marginally to close at 85.5p (0.3p weaker). Against the US Dollar, having started the month at 78.7p per \$, Sterling fell to 79.8p per \$ before a partial improvement led to a close of 79.2p per \$ (0.5p weaker).
- 2 The gold price was volatile in the month. From a starting point of £1,592 per troy ounce, it fell to £1,581 per troy ounce mid-month, climbed back to a high of £1,630 per troy ounce before falling back to close at £1,606 per troy ounce (up £14 overall).
- 3 Opening at \$83.60 per barrel, Brent Crude immediately fell sharply to below \$78 per barrel before steadily rising to close at \$82.80 per barrel, down \$0.8 overall.

B Crops

- 1 The cereals market generally fell back in February. Competitive Black Sea wheat prices and expectations of a heavy South American maize crop created a downward effect. However, tight European supply and poor planting conditions are creating uncertainty. Milling premiums rose further reaching as much as £80 per tonne but generally were around £73 per tonne. Feed wheat futures continued to fall with deliveries for November 2024 and 2025 at £184/tonne (-14) and £189/tonne (-9) respectively.

Average spot prices at the end of February (per tonne ex-farm): feed wheat £152 (-19); milling wheat £225 (-12); feed barley £136 (-13); oilseed rape £340 (-13); feed peas £233 (-9); feed beans £234 (-8).

C Livestock

- 1 There was a gentle upward movement in livestock prices in February but nothing material. The average steer price rose from an opening position of 261p/kg lw to a close of 274p/kg lw (up 13p to sit 2p/kg above the average a year earlier). The average finished heifer price saw a more modest increase, opening at 274p/kg lw and closing at 280p/kg lw (up 6p, to sit 4p/kg above the average a year earlier). The average dairy cow price rose steadily during the month, from an opening position of £1,322 per head to a closing of £1,413 per head (up £91, to sit £213 below the average a year earlier).
- 2 The average finished lamb price (SQQ liveweight) also showed a gradual improvement over the month, opening at 294p/kg and closing at 322p/kg, up 26p/kg to sit 90p/kg above the average a year earlier.
- 3 The average UK all pig price (APP) fell back from its opening position of 214p/kg dw to 211p/kg dw where it remained for the rest of the month (down 3p, to sit 4p above the prior year closing average).
- 4 The UK average 'all milk' price for December was 37.83ppl, virtually unchanged from November: down 13.77ppl on a year earlier but up 3.15ppl on the 5-year rolling average of 34.68ppl.

VI Other crop news

- 1 The latest World Agricultural Supply and Demand Estimates published by the US Department of Agriculture show global ending stocks of soyabean at 116Mt, the largest on record; maize stocks will be down 3.16Mt at 322Mt; while wheat stocks will be down 0.5Mt at 259.4Mt.
- 2 In the 6 months to December, wheat usage in animal feed fell by 2.9 per cent, compared to a year earlier, to 1.621Mt; barley usage fell by 1.9 per cent to 595,600t; oats usage fell by 33.2 per cent to 26,200t; whole and flaked maize fell by 14.6 per cent to 173,400t; oilseed rape cake and meal fell by 1.1 per cent to 347,500t; soya cake and meal fell by 7.2 per cent to 586,100t; but sunflower cake and meal rose by 3.2 per cent to 163,700t. Production of cattle and calf feed fell by 1.4 per cent to 1.981Mt; pig feed fell by 3.7 per cent to 962,800t; poultry feed fell by 1.8 per cent to 1.929Mt; and sheep feed fell by 12.6 per cent to 252,100t.
- 3 Latest ex-farm Corn Returns data shows that the ex-farm milling oat price reached a 19-month high in January at £252 per tonne, up 5.8 per cent on December and 14.4 per cent on a year earlier. The milling oats premium reached £76 per tonne, the highest in at least 10 years.
- 4 The Agricultural Price Index for December shows increases of 51.5 per cent for potatoes, compared to a year earlier, 36.8 per cent for forage plants, 8.7 per cent for fresh vegetables and 20 per cent for fresh fruit but there were falls of 27.1 per cent for wheat, 22.9 per cent for barley, 4.8 per cent for oats and 30.6 per cent for oilseed rape. Compared to November, there were increases of 0.8 per cent for wheat, 1.9 per cent for barley, 3.1 per cent for oats, 2.3 per cent for potatoes and 15.5 per cent for forage plants but falls of 0.4 per cent for oilseed rape, 3.5 per cent for fresh vegetables and 9.2 per cent for fresh fruit.

- 5 The Nitrogen Climate Smart Project has been established to increase pulse cropping from 5 per cent to 20 per cent in arable rotations and displace up to 50 per cent of imported soya meal in livestock feed rations. At least 40 farmers have been invited to become 'pulse pioneers' to carry out on-farm trials to contribute towards a research programme.
- 6 The Irish Farmers Union has estimated that up to 800,000 tonnes of potatoes remain unlifted in Northern Europe. Belpoata, the Belgian Potato Organisation has warned of dwindling supplies of seed potatoes as a result of a 10,000-hectare reduction in planting area in Northern Europe.
- 7 Canterbury-based fruit grower, AC Hulme & Son, has partnered with GridDuck, Stemy Energy, the University of Greenwich and Avalon Fresh to integrate AI and technology in long-term apple storage to reduce energy use and improve fruit quality. The project is looking at cooling fans, defrosting, CO2 scrubbers and nitrogen generators to understand how energy is used in the storage process.
- 8 Tubex has begun a research project with Wageningen Food & Biobased Research to ensure that biodegradable tree guards perform to the same high standard as recyclable plastic equivalents.
- 9 Jones Food Company has opened a vertical farm in Gloucestershire with 14,500 sq/m of growing space producing salad and herb crops with basil growing from seed to harvest in 18 days.
- 10 Despite the dark red colour of the pigments in the fruit skin, scientists at the University of Bristol have discovered the blue colour of blueberries is provided by a layer of wax that surrounds the fruit made up of miniature structures that scatter blue and UV light.
- 11 Researchers at the Italian Institute of Sciences of Food Production and the National Council of Research have cultivated microgreens with bespoke nutritional profiles to serve individual dietary requirements for those with iodine and potassium deficiency.
- 12 Vegetables by Bayer has launched a 'Confidence on Every Level Campaign' which aims to produce a platform to inform customers on the latest research on tomato brown rugose fruit virus.
- 13 Italian virologist Professor Walter Davino has warned tomato growers of a new virus, Tomato Fruit Blotch Virus, caused by Blunavirus solani, which can be mistaken for Tomato Brown Rugose Fruit Virus. The disease is spread by Aculopis mites and results in the entire crop being lost.

VII Other livestock news

- 1 The British Cattle Movement Service has reported that more than 35,500 Wagyu-sired calves were born in 2023, up from 17,083 in 2020. Of the total, 33,347 were cross-bred with 2,203 pure-bred or full blood.
- 2 According to the US Department of Agriculture, as of 1 January there were 87.2 million head of cattle and calves on US farms, the lowest level in 73 years. The calf crop was down 2 per cent on 2022, at 33.6m head; beef cows were down 2 per cent at 28.2m head; and dairy cow numbers fell slightly to 9.36m head. Cattle on feed were up 2 per cent at 14.4m head.
- 3 The extended Bluetongue Temporary Control Zones in north-east Kent, Norfolk and parts of Suffolk have been removed.

- 4 During January, UK prime cattle slaughterings rose by 3.9 per cent, compared to a year earlier, to 178,000 head; beef and veal production rose by 5.3 per cent to 81,000 tonnes; sheep slaughterings rose by 3.3 per cent to 984,000 head; mutton and lamb production rose by 2.8 per cent to 23,000 tonnes; pig slaughterings fell by 2.7 per cent to 849,000 head; and pigmeat production fell by 0.1 per cent to 80,000 tonnes.
- 5 The Government has indicated its support for the Dogs (Protection of Livestock) (Amendment) Bill. The 'private members' Bill would modernise existing legislation, extend it to including alpacas and llamas and widen locations where enforcement can be taken to roads and paths.
- 6 McIntrye Meats, a small abattoir near Wensleydale, is to close this month.
- 7 A research project entitled 'Dancing with daffodils' has revealed that a novel feed additive using a specific alkaloid extracts from daffodils could reduce methane emissions from ruminants and increase food protein utilisation by up to 50 per cent.
- 8 Foot and Mouth Disease virus serotype SAT-2 has been reported for the first time in Algeria. Outbreaks have continued to be reported in Iraq and Turkey.
- 9 The Agricultural Price Index for December shows increases of 5.2 per cent for cattle and calves, compared to a year earlier, 7.7 per cent for pigs, 7.6 per cent for sheep and lambs, 12 per cent for poultry and 24.6 per cent for eggs but there was a fall of 26.7 per cent for milk. Compared to November, there were increases of 4.1 per cent for cattle and calves, 0.7 per cent for sheep and lambs, 1.7 per cent for poultry and 0.1 per cent for milk but a fall of 1 per cent for pigs.
- 10 During December, 1,146 million litres of milk was delivered to dairies, up 4.4 per cent on November but unchanged on a year earlier. Liquid milk production rose by 0.4 per cent, compared to November, to 501 million litres, but was down 0.1 per cent on a year earlier; cheese production rose by 7.1 per cent to 41,600 tonnes but was down 0.3 per cent on a year earlier; butter production fell by 10 per cent and 0.2 per cent respectively to 13,700 tonnes; and milk powder production rose by 53 per cent and 0.5 per cent respectively to 7,600 tonnes.
- 11 During December, average butterfat increased by 0.7 per cent, compared to November, to 4.39 per cent and by 0.3 per cent compared to a year earlier. Average protein fell by 2 per cent and 0.4 per cent respectively to 3.45 per cent.
- 12 First Milk has increased its manufactured standard litre price by 1ppl to 38ppl.
- 13 First Milk has acquired Dorset-based chilled dairy products company BV Dairy.
- 14 The AHDB estimate of the full economic cost of pork production in the 3 months to December is 195p/kg dw with margins per slaughter pig estimated at £19 per head.
- 15 Aujeszky's disease has been reported on a domestic pig farm in northern France, 40km from the Belgian border.
- 16 Highly pathogenic avian influenza HPAI H5N1 has been confirmed in commercial poultry near Hutton, Cranswick, East Yorkshire.
- 17 During January, UK commercial layer chick placings rose by 20 per cent, compared to a year earlier, to 2.8 million chicks; broiler chick placings fell by 0.3 per cent to 110.6 million chicks; turkey chick placings fell by 36 per cent to 600,000 chicks; turkey slaughterings rose by 86 per cent to 800,000 birds, broiler slaughterings rose by 3.1 per cent to 108.4 million birds; and total poultry meat production rose by 3.8 per cent to 195,200 tonnes.

VIII Inputs/Supply businesses

- 1 The latest British Survey of Fertilizer Practice report shows that total use of nitrogen fell by 13.3 per cent in 2022 with declines of 17.3 per cent in ammonium nitrate, 11.3 per cent in urea and 4.9 per cent in urea ammonium nitrate. However, usage of calcium ammonium nitrate rose by 6 per cent.
- 2 The Agricultural Price Index for inputs for December shows increases of 9.1 per cent for chemicals, compared to a year earlier, 2.8 per cent for veterinary services and 7.8 per cent for maintenance of equipment but falls of 2.8 per cent for seeds, 18.8 per cent for energy and lubricants, 45.6 per cent for fertilizer, 14.5 per cent for animal feedingstuffs and 2 per cent for buildings maintenance. Compared to November, there were increases of 0.2 per cent for seeds, 0.1 per cent for veterinary services and 1.3 per cent for equipment maintenance but falls of 4.6 per cent for energy and lubricants, 1 per cent for fertilizer, 0.2 per cent for animal feedingstuffs and 0.1 per cent for buildings maintenance.
- 3 The Energy and Climate Intelligence Unit has calculated the war in Ukraine has cost UK farmers an additional £1.45 billions in fertilizer costs to date.
- 4 Spot prices for ammonium nitrate fell by £4/t in January to £350/t and were down £332/t on a year earlier but remain well above the 5-year average of £241/t.

IX Marketing

- 1 The latest AHDB Agri-market outlook shows:
 - UK beef production will remain stable although prime cattle slaughterings will increase by 1 per cent
 - Lamb production will fall by 1 per cent, consumption will fall by 2 per cent but imports will rise by 4 per cent
 - Milk production will fall by 1.1 per cent
- 2 In 2023, red meat exports achieved a similar level in value to the record year of 2022. Exports to the EU rose by 2 per cent to £1.3 billions although volumes fell by 12 per cent. Shipments to France increased by 23 per cent by value and volume to £292 millions and 45,000 tonnes respectively. Overall exports of sheep meat increased by 11.7 per cent to £562 millions. Sheep meat exports to non-EU markets rose by 10 per cent in value but volumes fell by 15 per cent. Beef exports fell by 15 per cent in volume and 9 per cent in value as a result of weaker demand from Europe. Pig meat exports fell by 20 per cent by volume and 9 per cent by value.
- 3 According to Kantar, in the year to 26 November, home baking occasions increased by 1 per cent, or 13 million occasions, compared to a year earlier. Sweet baking rose by 29 million occasions while savoury baking fell by 14 million occasions. Chocolate cake baking increased by 63 per cent while savoury pies fell by 5 per cent. Usage of flour increased by 3 per cent while the spend increased by 12.9 per cent to £124 millions.
- 4 In the 6 months to December, the UK exported 74,200 tonnes of oats, down 89,500 tonnes on a year earlier but well above the 5-year average of 46,800 tonnes. The main destinations were Belgium, Spain and Germany.
- 5 Soil Association Certification has revealed that the organic market grew by 2 per cent in 2023 to £3.2 billions, its 12th year of uninterrupted growth. However, while shopper-spend on organic produce is up by a third compared to a year ago, much of this is down to imports as UK organic farmland remains at 3 per cent.
- 6 Eat Like a Lioness has won the Marketing Campaign of the Year at the Trade Association Forum awards.

- 7 Dairy exports in 2023 increased by 2.2 per cent to 1.23 million tonnes. Powdered and condensed milk exports increased by 26 per cent, or 29,300 tonnes, while cheese increased by 2 per cent, butter by 11 per cent and yoghurt and buttermilk by 13 per cent. However, milk and cream exports fell by 1.9 per cent and whey and whey products by 1.8 per cent. Imports fell by 2.1 per cent to 1.15 million tonnes. Milk and cream fell by 22.4 per cent whereas whey and whey products rose by 20.4 per cent, butter by 9.7 per cent and cheese by 5.4 per cent.
- 8 The 'Eat Them to Defeat Them' marketing campaign led by VegPower, ITV, Channel 4 and Sky Media has returned to television screens and primary schools to encourage children to eat vegetables.
- 9 Graham's Family Dairy has increased its produce in the United Arab Emirates in supplying 55 Spinneys stores and 15 Waitrose stores in the country.

X Miscellaneous

- 1 The NFU has published the results of an independent review into Red Tractor governance which has found it is 'sound' and there has been no 'procedural breach'. The review also reports that 'Red Tractor is perhaps significantly more transparent than other assurance schemes.' However, it also stated that farmers' lack of trust is 'serious and potentially damaging'; the scheme 'is not capable of dealing with the challenges'; and there is a 'gulf of perception' which is 'damaging'. It makes interim recommendations:
 - the creation of a governance handbook
 - a formal appraisal process for board and committee members
 - a Code of Conduct
 - an improvement in stakeholder engagement as a 'matter of priority'
- 2 Martin Clunes, actor and presenter, has been appointed the inaugural Chancellor of Hartpury University and Hartpury College.
- 3 In the October Defra Farming Opinion Tracker, 64 per cent of farmers said they fully (6 per cent) or roughly (58 per cent) understood Defra's vision, no change on April/ 35 per cent indicated they are making changes to their farm business while 46 per cent will need to make changes in the next 3-5 years; 83 per cent said that monies for environmental outcomes will be very (60 per cent) or moderately (23 per cent) important to their business; 65 per cent are not at all confident that changes to schemes and regulations will lead to a successful future for farming, down from 71 per cent in April; and farmers on 41 per cent of holdings feel positive about their future (4 per cent very positive; 37 per cent somewhat positive).
- 4 Latest statistics on rural housing show:
 - more new rural dwellings were started in 2021/22 than in any of the previous 15 years.
 - the average residential sale price in rural areas in the first three months of 2023 was £424,000, £125,000 more than in urban areas outside London.
 - the least expensive rural area was in the Tees Valley Combined Authority while the most expensive was in Radlett, Hertfordshire.
 - almost 200,000 rural homes are second homes or are empty.
 - more than 50 per cent of new rural addresses are on land previously in agricultural use.

- 5 A poll carried out by YouGov on behalf of Right to Roam has found that 68 per cent of people living in rural and areas wanted 'rights of responsible access to the rest of the countryside' extended provided appropriate provision was made for exceptions such as crops, privacy and highly sensitive wildlife areas.
- 6 Rea Valley Tractors has acquired Teme Valley Tractors, a long-established New Holland dealer in South Shropshire and Mid Wales.
- 7 Tom Bradshaw, an arable farmer from Essex, is the new President of the NFU. David Exwood and Rachel Hallos have been elected Vice-Presidents.
- 8 The Low Carbon Agriculture Show takes place at NAEC Stoneleigh on March 6-7.
- 9 AgriScot, the farm business event, is to be held on 13 November.
- 10 Small Robot Company Limited has appointed liquidators Kroll Advisory Ltd.

Postscripts

- 1 A holidaying couple stop to ask a farmer the quickest way to the local pub.
 'Are you walking or driving' he asks
 'Driving' replied the couple
 'Well that's the quickest way' he replied.

- 2 A pensioner was driving his brand-new Mercedes at 100mph. Looking in his rear-view mirror, he sees a police car behind him, signalling to pull over.

He floored it to 140, then 150, then 155 and 160. Suddenly he thought 'Dammit, I'm too old for this nonsense!'

So he pulled over to the side of the road and waited for the policeman to catch up with him.

The officer walked up to him, looked at his watch and said, 'Sir, my shift ends in ten minutes. And guess what, it's Friday and I'm off for the weekend with my family to the beach. If you can give me a good, solid reason for your insane speeding that I've never heard before, I promise I will let you go.'

The pensioner looked very seriously at the policeman and replied 'Officer, a few years ago my wife ran off with a policeman and I thought you were bringing her back.'

The policeman left saying 'Have a good day Sir.'

- 3 A man takes his Rolls Royce into the dealership for a service. It's driven into the service bay and the chief mechanic decides to let a new trainee clean the interior to give him something to do. The trainee's hoovering the carpets in the front footwell when he finds a couple of golf tees. He has no idea what they are so he takes them to the chief mechanic and asks what they are for. The chief mechanic looks at them and replies 'They're for resting your balls on when you're driving off.'

The trainee exclaims 'Wow! Rolls Royce really do think of everything!'

Monthly Farming Update

It pays to be clean!!

It is a common feature of Budget presentations in the House of Commons that the Government of the day will tackle tax evasion. Everybody knows the black economy is rife, with honest taxpayers bearing the cost. Well, perhaps something is happening in the background.

In 2023, HM Revenue & Customs recovered a staggering £39 billions from tax investigations, up 22 per cent on 2022. Targeted areas include:

- Ultra-high net worth individuals where a specialist division is assigned to particular individuals
- Cryptocurrency traders
- Residential landlords
- Large multi-national business being too aggressive with cross-border payments between companies in a group which are used to reduce Corporation Tax liabilities in the UK

Another area has recently been identified where owner-managed companies have declared dividends. Have the shareholders made the appropriate disclosure on their Tax Returns?

While it is a much smaller figure, HMRC recovered a record £326 millions of underpaid Inheritance Tax in the year to March 2022 and, in the period April to November 2023, 2,023 Inheritance Tax investigations were opened.

This is the area which should be of concern to personal representatives as, if the estate has been distributed, those individuals can be held personally liable.

A further lucrative area is that of late payment interest. In the year to October 2023, this amounted to £345.8 millions, up from 127 millions in 2020/21 and £159 millions in 2021/22 as a result of late payment liabilities rising from £2.9 billions to £3.7 billions in the period.

It just goes to show that HMRC's super-computer will catch defaulters in the end.

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:

Karen Blackiston

Nick Holmes

Iain Morris

Ben Wilkinson

Chavereys Limited

The Goods Shed
Jubilee Way
Faversham
Kent
ME13 8GD

Tel: 01795 594495

Fax: 01795 594499

E-mail: mfu@chavereys.co.uk
www.chavereys.co.uk

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



CHAVEREYS