



CHAVEREYS

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MONTHLY FARMING UPDATE

January 2021



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I Policy issues

- 1 Defra has confirmed that, as part of the 'agreement' the EU has granted the UK 'national listed status' confirming the health and biosecurity assurances required for a third country. Businesses will require an Export Health Certificate for all different product types within a consignment, with the certificate approved by an authorised person. A number of plant health prohibitions have been listed and equivalence has been granted for fruit and vegetable propagating material. Ware potatoes can continue to be exported but the prohibition on the export of seed potatoes to the EU continues.
- 2 The UK has signed the UK-Moldova Strategic Partnership, Trade and Corporation Agreement.

II Reform

The Government in England has published 'The Path to Transition: An Agriculture Transition Plan 2021 to 2024.

Starting in 2021, and continuing through to 2027, Direct Payments will be reduced until they are phased out altogether. Released funds will be channelled into environmental and animal welfare outcomes which will comprise 23% of total funding in 2021, 36 per cent in 2022, 42 per cent in 2023 and 57 per cent in 2024. The Government is committed to maintaining the current level of overall funding for the duration of this Parliament.

In 2021, the design of the Environmental Land Management Scheme will commence with a National Pilot involving up to 1,000 farmers in phase 1, increasing to 5,500 farmers by the end of phase 3.

The aim of the Environmental Land Management Scheme is to have 70 per cent of all farmers participating compared to only 30 per cent who currently are enrolled in agri-environment schemes. The scheme will involve:

- Sustainable Farming Incentive – this will reward farmers who manage their land in an environmentally-sustainable way. It will focus on the management of cropland, grassland, livestock, trees and woodland; boundaries and hedgerows, soil and nutrients; integrated pest management; efficient water use; wildlife and biodiversity; and the protection of heritage assets.
- Local Nature Recovery – grants towards actions that support local nature recovery and deliver local environmental priorities. It will focus on creating, managing and restoring habitats; natural flood management; species management; rights of way; education; and geodiversity and heritage asset management.
- Landscape Recovery – landscape and ecosystem recovery through large scale, long term projects. It will focus on large-scale forest and woodland creation, restoration and improvement; ecosystem restoration; peatland restoration; and the creation and restoration of coastal habitats.

Extensions will be available to Countryside Stewardship and Environmental Stewardship Schemes and new Countryside Stewardship Schemes will also be available.

Pilot schemes for the Sustainable Farming Incentive will commence in October, those for Local Nature Recovery and Landscape Recovery will start in 2022.

A Tree Health pilot will start in 2021 and in 2024 the scheme will replace the Countryside Stewardship Woodland Capital Tree Health Restoration and Improvement grants.

An Animal Health and Welfare Pathway is being designed with stakeholders to promote the production of healthier, higher-welfare animals at a level beyond current compliance regulations. The initial focus will be on eradicating endemic diseases such as Bovine Viral Diarrhoea and lameness and mastitis in cattle, Porcine Reproductive and Respiratory Syndrome virus and Swine Dysentery in pigs and parasites, lameness, mastitis, iceberg diseases and abortion in sheep. The funding of veterinary visits is under review.

A Farming Investment Fund will be established comprising:

- Farming Equipment and Technology Fund – this will provide grants towards specified equipment
- Farming Transformation Fund – this will cover substantial investment in equipment, technology or infrastructure with the potential to transform business performance.

Applications for grants will open in the autumn.

A Slurry Investment Scheme will open in 2022 to support investment in new slurry stores that exceed current regulatory requirements. The stores will need to have a capacity of at least 6 months' slurry production and be covered with an impermeable cover.

Finally, in the area of skills, training and benchmarking, a new professional body, the Institute of Agriculture and Horticulture, will be established.

III Grants/regulations/legislation/environment

- 1 The first round of funding from the Green Recovery Challenge Fund has allocated £40 millions to projects across England. Successful projects include £3.86 millions to The Woodland Trust to restore ancient woodlands and trees in 63 landscapes; £2.543 millions to the Youth Hostel Association to connect young people to nature; £580,000 to The Centre for Sustainable Healthcare to improve access to green spaces at NHS sites; £250,000 to The Conservation Education & Research Trust to help build 12 'tiny forests' in urban areas; and £124,000 to The Game & Wildlife Conservation Trust's Owl Box initiative.
- 2 The Government has announced 7 sites which will share £5.77 millions to help people connect with nature. The sites will particularly benefit those in areas hardest hit by coronavirus, those in deprived areas and those with large ethnic communities. The areas covered are Humber Coast and Vale; South Yorkshire and Bassetlaw; Nottingham and Nottinghamshire; Derbyshire; Greater Manchester; Surrey Heartlands; and Bristol, North Somerset and South Gloucestershire.

- 3 A new tree planting programme for England has been announced by Defra. Trees for Climate will be funded to the tune of £12.1 millions and will result in 500 hectares of new plantings in England's ten Community Forests which are Forest of Marston Vale, Bedfordshire; Great Western Community Forest, North Wessex Downs to the River Thames; Greenwood Community Forest, West Nottinghamshire; Mersey Forest, Merseyside and North Cheshire; City of Trees, Greater Manchester; Forest of Avon Trust, Bristol and Avon; HEYwoods, Hull and the East Riding; Thames Chase Trust, East London and South West Essex; White Rose Forest, Leeds and North and West Yorkshire; and Forest of Mercia, Staffordshire and West Midlands.
- 4 The Scottish Government has published 'Statement of Intent on Biodiversity' which provides a commitment to protect land for nature from the current 22.7 per cent to 30 per cent by 2030.
- 5 Updated licenses have been made available for the purposes of conserving endangered wild birds, flora or fauna. Those birds covered are Canada goose; Carrion crow; Egyptian goose; Indian house crow; Jay; Magpie; Monk parakeet; Ring-necked parakeet; and Sacred ibis.
- 6 Led by Defra, Natural England and the Tree Council, a £2.5 millions fund has been established to use five pilot studies to develop cost-effective and innovative approaches to planting trees outside woodlands over the next two and a half years. In addition, £1.4 millions has been awarded to the Environment Agency to fund 'woodlands for water' covering 15 projects which will involve planting 850,000 trees to protect 160km of rivers.
- 7 A study conducted by Bangor University has concluded that Welsh sheep and beef farms using non-intensive methods have among the lowest greenhouse gas emissions of comparable systems worldwide.
- 8 Further farmer-led groups have been established in Scotland to develop advice and proposals to the Government on how to cut emissions and tackle climate change. The new groups are the Dairy Group and the Hill, Upland and Crofting Group.
- 9 In 2019/20 the area of UK woodland increased by 3.1 per cent to 1.368 million hectares.
- 10 As part of the Sustainable Agriculture Capital Grant Scheme, the Scottish Government has made available grants totalling £18 millions to 3,500 farmers and crofters to assist with the purchase of agricultural equipment chosen for its effectiveness in reducing greenhouse gases.
- 11 The Garfield West Foundation has awarded a grant to the Nuffield Farming Scholarship Trust to fund a business and mental health resilience programme.
- 12 The National Association of Agricultural Contractors has confirmed with Defra that Farming Investment Fund grants will be available to contractors in 2021.
- 13 As part of the Knowledge Transfer and Innovation Fund, the Scottish Government has allocated £63,000 to support projects that will explore ways to reduce emissions and tackle climate change in farming and food production.

IV Other matters of farm finance and tenure

- 1 The final estimates for the 2019/20 farming year have been published. The total utilized agricultural area in the UK in the year to June fell by 1.5 per cent to 17.3 million hectares, 71 per cent of the total land area. The croppable area, comprising arable, potatoes, horticultural crops, uncropped arable land and temporary grass, fell by 1.8 per cent to 6 million hectares. While uncropped arable land increased by 61 per cent, it only comprises 6 per cent of the total croppable area.

The oilseed area fell from 9 per cent of the total area to 7 per cent. The cereals area also fell by 2 per cent to 50 per cent of the total. The number of people working on agricultural holdings fell by 0.8 per cent to 472,000. While the number of employees fell by 2.9 per cent, the number of 'family' workers increased by 0.5 per cent.

- 2 Total Income from Farming in England in 2020 is forecast to be £4.151 millions, down 21 per cent on 2019. Crop output is expected to be down 13 per cent at £8.722 millions but livestock output is expected to be up 2 per cent at £15.028 millions. Inputs are expected to have fallen by 1 per cent to £16.8 millions and gross added value by 10 per cent to £9.36 millions.
- 3 The Welsh Government has published the Agriculture (Wales) White Paper setting out plans for changes in agricultural policy.
- 4 The North American Space Agency and the US Department of Agriculture have joined forces to bring the benefits of space technology to agricultural research, science and technology.
- 5 The Agricultural Price Index for October for outputs shows an increase of 0.8 per cent compared to September and an increase of 12 per cent compared to October 2019. The index for inputs increased by 0.4 per cent and 2.4 per cent respectively.
- 6 The next Budget will be delivered on 3 March.

V Product prices

A Market background

- 1 Sterling exchange rates were surrounded by volatility this month as the likelihood of a UK-EU trade deal waxed and waned; overall, Sterling improved against both Dollar and Euro. From an opening position against the Euro of 89.7p per €, Sterling twice fell as far as 92.1p and only ever improved as far as its opening position. Only when a trade deal was finally agreed was any sign of improvement seen, leading to a December (and 2020) close of 89.3p per € (0.4p up). Performance against the US Dollar was similarly volatile as, from an opening rate of 74.9p per \$, it dropped as low as 76.0p, before finally closing at a high of 73.1p per \$ (1.8p stronger). Crude oil prices showed improvement overall, but with a little volatility for good measure; the Brent Crude oil price, from a starting position of \$48.18 per barrel, dropped to \$47.42, peaked at \$52.26 and dropped back to \$50.08 before improving to a month close of \$51.34 per barrel (up \$3.16).

B Crops

- 1 Cereal prices continued to improve this month, despite news of a strong Australian wheat yield, Sterling's relative for-ex strength and ongoing Covid restrictions. South American weather supported prices, as Brazilian growers reported lower yield expectations from their soya crops, whilst news of a Russian wheat export tariff of €25 per tonne also underpinned price levels. Milling premiums remain above £20/tonne. LIFFE feed wheat futures made gains overall this month after a volatile month seeing swings of up to £6. By late November, deliveries for November 2021 and 2022 were £164/tonne (+5) and £158/tonne (+3) respectively. Oilseed rape prices also benefited from the low South American oilseed output this season, predominantly soya, and the sustained global demand for vegetable oil; the marginal increase in crude oil price supported the uplift.

Average spot prices in late December (per tonne ex-farm): feed wheat £187 (+1); milling wheat £209 (+3); feed barley £141 (-); oilseed rape £359 (+4); feed peas £204 (+3); feed beans £212 (+3).

- 2 The average potato price for 2020 crop improved this month, despite Covid, largely due to the final pre-Christmas demand and increased pre-Brexit exports. Buyers appeared largely content with contracted commitment but the lead up to Christmas saw some additional purchases which lifted the free-buy price. Most 2020 harvest crop had either been lifted before Christmas or written off. By the Christmas shut-down the average potato price had improved from its opening position of £147/tonne to a closing average of £159/tonne (£12 up but £17 below the Christmas 2019 closing average). The free-buy average opened at £105/tonne and improved throughout the month to close at £138/tonne (£33 up but £52 below the Christmas 2019 close).

2020 crop prices for grade I packing, before the Christmas shutdown (per tonne ex-farm): Maris Piper had improved marginally at the top end to between £140 and £250; King Edwards had increased to between £190 and £255; Reds had improved to between £160 and £225; whilst white varieties were marginally stronger at between £80 and £150; small salad varieties (<45mm) were marginally down at between £220 and £330.

C Livestock

- 1 Cattle prices peaked mid-month as a result of pre-Christmas purchases seeking to ensure sufficient supply for the holiday period. The average finished steer price, from an opening position of 199p/kg lw, rose to 215p/kg and then dropped back for the latter part of the month to close at 205p/kg (up 6p overall to sit 20p above the closing average a year earlier). The average finished heifer price moved similarly; from opening position of 213p/kg lw, it peaked at 225p/kg before falling back to 214p/kg where it closed the month (up 1p to sit 18p above the price a year earlier). The average dairy cow price, opening at a high of £1,532 per head, fell to £1,233 before a partial recovery to its month close of £1,326 (a fall of £206, to sit £232 above the closing average a year earlier).
- 2 The average finished lamb price (SQQ live weight) ended the month where it started, having been marginally higher. The average, from the opening position of 213p/kg lw, rose at the start of the month to 217p/kg, then fell back over the remainder of the month to a closing average of 213p/kg lw (static, to sit 11p/kg above the average a year earlier).
- 3 The average UK all pig price (APP) declined further this month. Opening at 158.7p/kg dw, the average fell to 156.6p/kg in the early stages, where it remained for much of the month before closing at 156.5p/kg (down 2.2p in the month and 6.9p/kg below the closing average a year earlier).
- 4 The UK average 'all milk' price for October, reported this month, recorded a further gain of 1.00ppl to 29.96ppl (0.56ppl above the average in October 2019 and 2.29ppl above the rolling 5-year average of 27.67ppl). Initial reports of the November 2020 price suggest additional gains taking the average above 30.50ppl. In the rankings against the 'EU28 (ex UK)' farmgate milk price for October, published in late December, the UK gained three places in the rankings to reach 18th against an improved EU28 (ex UK) weighted average of 32.72ppl.

VI Other crop news

- 1 In 2019/20 the area of arable crops in the UK fell by 5.2 per cent with falls of 23.6 per cent in wheat and 31.2 per cent in winter barley but increases of 51.6 per cent in spring barley and 15.7 per cent in oats. The oilseeds area fell by 24.1 per cent and potatoes by 1.1 per cent but sugar beet increased by 3.1 per cent, field beans by 32.4 per cent, peas by 25.8 per cent and root crops, brassicas and fodder beet by 17.1 per cent. The yield of the 2020 wheat harvest fell by 22.1 per cent to 7 tonnes per hectare, winter barley fell by 21.6 per cent to 6.2t/ha, spring barley by 9.1 per cent to 5.8t/ha and oats by 17.2 per cent to 4.9t/ha.

The overall harvest fell by 25.7 per cent to 18.962 million tonnes. The area of orchards fell by 2.3 per cent to 23,100 hectares while the soft fruit area fell by 3.7 per cent to 10,500 hectares but the area of salad and vegetables increased by 3.2 per cent to 118,000 hectares. There was an increase in the area of glasshouse crops of 3 per cent to 2,911 hectares. The UK is the 6th largest cereal producer in the old EU 28.

- 2 The AHDB has forecast that, for the 2021 harvest, all wheat will increase by 28 per cent to 1,776,000 hectares; winter barley will increase by 25 per cent to 389,000 hectares; spring barley will fall by 30 per cent to 756,000 hectares; oats will increase by 2 per cent to 214,000 hectares; oilseed rape will fall by 18 per cent to 312,000 hectares; pulses will increase by 7 per cent to 249,000 hectares; and arable fallow will fall by 30 per cent to 254,000 hectares.
- 3 In 2019, 96,000 hectares of land in the UK were used to grow for bioenergy, 1.6 per cent of the total arable area. Of the total, 20 per cent was for biodiesel and bioethanol with the remainder for heat and power production.
- 4 The Agricultural Price Index for October shows increases of 7.3 per cent for wheat, compared to September, 3.8 per cent for barley, 1.5 per cent for oats, 2.5 per cent for oilseed rape, 38.2 per cent for forage plants and 20.3 per cent for fresh fruit while there were falls of 11.8 per cent for potatoes and 3.7 per cent for fresh vegetables. Compared to October 2019, there were increases of 40.2 per cent for wheat, 16 per cent for barley, 17.4 per cent for oats, 5.4 per cent for oilseed rape, 115.5 per cent for forage plants, 17.9 per cent for fresh vegetables and 48.4 per cent for fresh fruit. The only fall was in potatoes, down 5.3 per cent.
- 5 NFU Sugar and British Sugar, supported by Czarnikow, have developed a pricing platform which will allow growers to manage and fix their own price. The system is to be tested in a year-long pilot.
- 6 A Government decision to allow the import of 260,000 tonnes of raw cane sugar in 2021 has provoked uproar amongst sugar beet producers.
- 7 The Seasonal Workers Pilot has been extended for a further year with the number of visas increased to 30,000.
- 8 Xampla of Cambridge has developed a pea protein powder to create nutritional microcapsules as an alternative to microplastics.

VII Other livestock news

- 1 The final estimate for 2019/20 shows the UK area of permanent grass having fallen by 1.5 per cent to 10.042 million hectares with the area of temporary grass having fallen by 1 per cent to 1.181 million hectares. The number of cattle and calves fell by 1.3 per cent to 9.615 millions with falls of 1 per cent in females and 2.1 per cent in males. The female breeding herd aged 2 years or more fell by 2.1 per cent and those between 1 and 2 years by 0.8 per cent but youngstock increased by 1.7 per cent. The number of pigs fell by 0.5 per cent to 5.055 millions with falls of 1.5 per cent in the breeding herd and 0.3 per cent in fattening pigs. The sheep flock fell by 2.6 per cent with falls of 4.2 per cent in breeding ewes and 1.1 per cent in rams and lambs. The poultry flock fell by 2.7 per cent with falls of 2.2 per cent in layers, 2.6 per cent in broilers and 6.7 per cent in ducks, geese and turkeys. The UK is the largest sheep producer in the old EU 28 and the third largest cattle producer.
- 2 Defra has launched an eight-week consultation on plans to ban the export of live animals for slaughter and fattening.

- 3 In August, the number of new herd bovine TB incidents fell by 8 per cent in England with falls of 7 per cent in the High risk area, 7 per cent in the Edge area and 27 per cent in the Low risk area. There was a fall of 10 per cent in Wales but a rise of 6 per cent in Scotland. In England, the number of herds not officially TB free fell by 11 per cent with falls of 12 per cent in the High risk area and 36 per cent in the Low risk area. There were falls of 15 per cent in Scotland and 10 per cent in Wales.
- 4 NFU Scotland and NatureScot are conducting an online survey to gather information on badger numbers in Scotland. The survey runs until March.
- 5 Scientists at Moredun and the Roslin Institute at the University of Edinburgh have developed cell cultures which mimic the stomach of cattle to better understand how worm parasites interact with their hosts.
- 6 The AHDB forecast for milk production in 2020/21 has been increased to 12.56 billion litres, up 0.2 per cent on 2019/20.
- 7 Scientists at Queens University, Belfast have developed a new test for Johne's disease in cattle which is reported to be more rapid and sensitive in detecting mycobacterium avium subspecies paratuberculosis which is the infectious agent of the disease.
- 8 During November, average butterfat content rose by 0.6 per cent, compared to October, to 4.31 per cent but was down 0.1 per cent on a year earlier. Average protein fell by 0.4 per cent, compared to October, to 3.43 per cent and was down 1.1 per cent on a year earlier.
- 9 During October, UK dairies processed 1,140 million litres of milk, an increase of 0.1 per cent in the annual rolling average over September. Liquid milk production fell by 0.2 per cent to 520 million litres; cheese production rose by 0.6 per cent to 39,200 tonnes; butter production fell by 0.1 per cent to 15,400 tonnes; and milk powder production rose by 0.1 per cent to 7,900 tonnes.
- 10 Arla has announced a fall in its conventional milk price of 1.08ppl to 29.58ppl.
- 11 The Agricultural Price Index for October shows increases of 14.4 per cent for cattle and calves, compared to September, 17.5 per cent for sheep and lambs, 0.2 per cent for poultry, 1.6 per cent for milk and 7.4 per cent for eggs but pigs fell by 1.4 per cent. Compared to October 2019, poultry increased by 1.9 per cent and milk by 3.4 per cent but cattle and calves fell by 2.8 per cent, pigs by 2.4 per cent and sheep and lambs by 4.8 per cent.
- 12 According to the June survey, sheep numbers in Wales fell by 6 per cent to 8.99 millions with falls of 3 per cent in lambs and 8 per cent in adult sheep.
- 13 The Chief Veterinary Officers of England, Scotland and Wales have introduced new measures whereby all bird keepers must keep their birds indoors and follow strict biodiversity measures to counter the spread of avian influenza. During December the highly pathogenic strain H5N8 was found at Exmouth, West Devon; Watton, Norfolk; Attleborough, Norfolk; Kings Lynn, Norfolk; Droitwich Spa, Worcestershire; Willington, Derbyshire; Hawes, North Yorkshire; Gillingham, Dorset; and the Orkney Islands.

VIII Inputs/Supply businesses

- 1 Defra and the Devolved Administrations have produced a draft revised National Action Plan for the Sustainable Use of Pesticides. The revised draft aims to increase uptake of Integrated Pest Management. Interested parties are invited to contribute to the consultation which closes on 26 February.

- 2 Walkers Crisps is to use potato peelings to fuel its anaerobic digestion plant which will create fertilizer as a by-product waste which will be made available to farmers who supply the factory. It is estimated the company's potato-based carbon emissions will reduce by 70 per cent.
- 3 The Agricultural Price Index for October shows increases of 1.7 per cent for seeds, compared to October 2019, 13.2 per cent for chemicals, 12.2 per cent for animal feeding stuffs, 4.7 per cent for vehicle maintenance and 1.8 per cent for building maintenance while there were falls of 16.1 per cent for energy and lubricants and 12.9 per cent for fertilizers. Compared to September, there were increases of 2.7 per cent for animal feedingstuffs, 0.5 per cent for vehicle maintenance and 1 per cent for building maintenance but falls of 1.6 per cent for energy and lubricants, 1.5 per cent for fertilizers and 1.4 per cent for chemicals.
- 4 Eurofins Agro UK has launched Fertilisation Manager, Soil Crop Monitor and Soil Life Monitor to analyse soil health. Fertilisation Monitor measures soil fertility, Soil Crop Monitor can be used during the growing season to measure available nutrients and nutrients already absorbed by the crop while Soil Life Monitor measures the total microbial biomass, fungi, bacteria and protozoa.
- 5 Yara has launched the YaraVita Actisil biostimulant in the UK. The product is designed to stimulate leaf and fruit growth as well as fibrous root growth and is particularly relevant for strawberries and raspberries.

IX Marketing

- 1 With effect from April 2022, medium and large stores will be restricted in their ability to promote unhealthy foods. In addition, free refills of sugary soft drinks will be prohibited in the eating-out sector. An 8-week technical consultation has been launched to seek views from industry stakeholders and enforcement bodies.
- 2 The Government is to invest up to £830 millions from the Future High Streets Fund in 72 areas across England to help transform high streets into vibrant hubs.
- 3 During November, shoppers spent £10.9 billions on British groceries, the highest monthly sum recorded. Ocado recorded the highest growth in sales, compared to a year earlier, at 38 per cent.
- 4 In the 9 months to September, food and drink exports fell by 12.9 per cent, compared to a year earlier, to £15.2 billions but imports were stable meaning the trade deficit in September widened to £25.8 billions. Only exports of pork and breakfast cereals increased while there were falls of 26.6 per cent for whisky, 26.2 per cent for wine and 22.6 per cent for salmon.
- 5 During October, UK beef imports fell by 8 per cent, compared to a year earlier, to 26,680 tonnes, with falls of 7 per cent from Ireland and 30 per cent from Poland but an increase of 17 per cent from Brazil. In the year to date imports are down 6 per cent. Exports in October fell by 31 per cent to 14,390 tonnes while, in the year to date, exports are down by 10 per cent.
- 6 Figures from Kantar show that, in the year to October, organic food and drink volumes in the UK rose by 12.9 per cent while the non-organic market only grew by 8.9 per cent. However, the organic market only represents 1.33 per cent of the whole, up from 1.29 per cent in the previous year. Organic beef rose by 17 per cent, cheese by 7 per cent, yoghurt by 10 per cent and butter by 17 per cent but there were falls of 24 per cent for pigmeat, 2 per cent for lamb and 16 per cent for potatoes.

- 7 During October, UK exports of sheep meat fell by 13 per cent to 7,700 tonnes with falls of 16 per cent to France and 8 per cent to Germany but a rise of 24 per cent to Ireland. While in the year to October export volumes fell by 9 per cent, export values rose by 9 per cent. Imports of sheep meat in October rose by 9 per cent to 3,500 tonnes with imports from New Zealand increasing by 42 per cent but, despite this, imports in the 10 months to October fell by 6 per cent.
- 8 This month the AHDB is to launch a £1.5 millions campaign to showcase the red meat and dairy sectors.
- 9 During October, UK pork imports fell by 18 per cent to 68,346 tonnes with falls of 13 per cent from Denmark, 15 per cent from Germany and 24 per cent from the Netherlands. In the year to date, imports are down 12 per cent. During October, exports rose by 1 per cent to 36,333 tonnes, primarily as a result of a 24 per cent increase to China, while, in the year to date, exports are up by 3 per cent.
- 10 Exports of EU-27 pork in September rose by 30 per cent, compared to a year earlier, to 338,600 tonnes. Exports to China rose by 61 per cent but exports to South Korea, Japan and the Philippines all fell. In the 9 months to September, export volumes rose by 28 per cent while export values rose by 41 per cent.
- 11 In 2019, the skimmed milk powder trade balance recorded a surplus of 55,200 tonnes, up 82 per cent on the previous year.

X Miscellaneous

- 1 Dame Glenys Stacey has been appointed as Chair of the Office for Environmental Protection.
- 2 Christine Tacon, the former Groceries Code Adjudicator, has been appointed chair of Assured Food Standards.
- 3 Robert Caudwell has been appointed the Chair of the Lowland Agricultural Peat Task Force whose aim is to improve the condition of England's farmed lowland peat.
- 4 The Further Education Commissioner has concluded that bids to take over the running of Newton Rigg College in Cumbria did not meet the required criteria and that the site will close as planned.

Postscripts

Lexophilia

1. Venison for dinner again? Oh deer!
2. How does Moses make tea? Hebrews it.
3. England has no kidney bank, but it does have a Liverpool.
4. I tried to catch some fog but I mist.
5. They told me I had type-A blood, but it was a Typo.
6. I changed my iPod's name to Titanic. It's syncing now.
7. Jokes about German sausage are the wurst.
8. I know a guy who's addicted to brake fluid, but he says he can stop any time.
9. I stayed up all night to see where the sun went and then it dawned on me.
10. This girl said she recognised me from the vegetarian club, but I'd never met herbivore.
11. When chemists die, they barium.

Monthly Farming Update

You may not think you're wealthy but they do!!

The Wealth Tax Commission has published its report with contributions from academics, policymakers and tax practitioners and following detailed studies of the operation of wealth taxes in seven different countries.

Numerous polls were undertaken to ascertain the views of the public to raise funds to finance the effects of the pandemic. A wealth tax had the most support amongst first preferences at 41 per cent, followed by an increase in Council Tax at 21 per cent and an increase in Capital Gains Tax at 17 per cent. There was very little support for any increase in Income Tax or VAT. A YouGov poll in May 2020 found 61 per cent support for a wealth tax on assets above £750,000 with only 14 per cent opposed.

A further study in July found 41 per cent support for a wealth tax starting at £1 million with no exclusions and even Conservative supporters ruled a wealth tax as the preferred option. It is interesting to note that only 5 per cent of respondents would have been likely to be affected by a wealth tax. 36 per cent of respondents suggested the tax should start at £500,000, 18 per cent at £250,000 and 31 per cent at £2 millions.

The Commission came down firmly in favour of a one-off wealth tax rather than an annual tax. It calculated that a tax of 5 per cent on wealth above £500,000, payable at 1 per cent per year, would raise £260 billions. The tax would be payable by 16 per cent of adults.

The tax would be assessed on all forms of wealth including property, investments, interests in businesses, pensions and assets held in trust. Relief would be given for debts but not for interests in agricultural or business property as is the case with Inheritance Tax. However, the survey of the public showed negative support for the inclusion of pensions, private homes and savings.

The Commission recommended a threshold of £3,000 for chattels and also suggested that 95 per cent or more of assets would be 'easy-to-value'!! It also recommended a system of deferred payments as it estimated that, at a threshold of £500,000, 1 in 14 individuals would be liquidity constrained.

The Chancellor is reported to be not in favour. The Budget on 3 March could be interesting!!

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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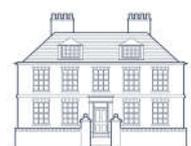
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The MFU was edited from 1991 to 2006 by John Nix, Emeritus Professor of Farm Business Management at Imperial College London



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