



CHAVEREYS

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# MONTHLY FARMING UPDATE

## December 2019



## **December 2019**

### **I Policy issues**

- I Following the almost complete absence of policy decisions during the never ending Brexit negotiations, there is a further vacuum while election campaigning takes place. The only statement of note is that the existing ‘government’ has committed to increase the quota next year for seasonal agricultural workers to 10,000.

### **II CAP/Brexit (etc.) support details/payments**

- I The Rural Payments Agency has confirmed the 2019 payment rates. The Basic Payment for non-severely disadvantaged areas is €182.70 per hectare; for upland severely disadvantaged areas other than moorland €181.34; and for upland severely disadvantaged areas moorland €49.76. The respective greening rates are €78.69, €78.11 and €21.43.
- 2 The Welsh Government has committed to continuing the Basic Payment Scheme in 2021 ‘subject to continuing to receive sufficient levels of funding for agricultural support from the next UK government.’
- 3 The total cost of agricultural support in the UK in 2018 rose to £3,313 millions. The value of the Basic Payment Scheme fell slightly to £2,734 millions as a result of the stable exchange rate but agri-environment payments rose by £26 millions.

### **III Grants/regulations/legislation/environment**

- I EU regulations, known as the ‘smarter rules for safer food – SRSF’, are coming into force. The regulations are designed to increase protection against animal disease and plant pests. The Official Controls Regulation and Plant Health Regulation comes into force on 14 December while the Animal Health Regulation will apply from April 2021. The regulations will replace over 70 existing directives. The Official Controls Regulation covers food and food safety, integrity and wholesomeness at any stage of production, processing and distribution of food; feed and feed safety at any stage of production, processing and distribution of feed and the use of feed; animal health requirements; prevention and minimisation of risks to human and animal health emerging from animal by-products and derived products; welfare requirements for animals; protective measures against pests of plants; requirements for the placing on the market and use of plant protection products and the sustainable use of pesticides; organic production and labelling of organic products; use and labelling of protected designations of origin, protected geographical indications and traditional specialities guaranteed; and deliberate release into the environment of Genetically Modified Organisms for the purpose of food and feed production.
- 2 Defra and the Forestry Commission have launched the Woodland Carbon Guarantee. Land managers who plant trees and create new woodland will be able to sell Woodland Carbon Units to the government over 35 years at a guaranteed price set by auction.
- 3 A World Bank ‘Enabling the Business of Agriculture’ report has revealed that the UK is 11<sup>th</sup> out of 100 countries in a ranking of ‘farmer-friendly’ regulation. France topped the list with the USA in 12<sup>th</sup>.
- 4 Defra has extended the coverage of its Farming Recovery Fund to cover areas in Yorkshire and the Midlands affected by flooding in November.

- 5 Figures for 2018 show that the UK all-species wild bird index is now 11 per cent below its 1970 value with the farmland bird index down by over 50 per cent, the woodland bird index down by 29 per cent, the water and wetland bird index down by 17 per cent while the seabirds index is down by 28 per cent since 1986. In the past 5 years, farmland birds are down 6 per cent, woodland birds are down 8 per cent, water and wetland birds are down 3 per cent but seabirds have increased by 7 per cent.
- 6 The Biotechnology and Biological Sciences Research Council has awarded five research grants including a DNA-based identification tool to test for the brown marmorated stink bug, native to Asia but now found in south-east England; the development of pheromone traps to control *Nesidiocoris tenuis*, a tomato pest; a diagnostic test for *Fusarium* basal rot in bulb onions, and a project to develop a new resource in genomics to improve the understanding of downey mildew.
- 7 The ‘waste from households’ recycling rate in England in 2018 was 44.7 per cent, down 0.5 per cent on 2017. The tonnage recycled fell by 0.9 per cent and the amount of total waste recycled fell by 3 per cent. The amount of dry matter recycled fell by 0.9 per cent but the tonnage of separately collected food waste rose by 7.1 per cent to 414,000 tonnes. ‘Other organic’ waste sent for recycling fell by 7.2 per cent to 3.6 million tonnes, the lowest since 2013. The EU target for recycling in the UK is 50 per cent by 2020.
- 8 In 2018/19 local authorities in England dealt with 1,072,000 fly-tipping incidents, up 8 per cent on a year earlier. Household waste was the cause of 62 per cent of incidents, up 2 per cent. The number of fines issued increased by 6 per cent to 2,052.
- 9 A survey undertaken by the Moors for the Future Partnership in the Peak District has revealed an important link between traditional hill grazing and endangered bird species with 21 of the 29 sighted species having increased since 2004 despite a decline nationally.
- 10 The Welsh Government has announced EU funding of £1.3 millions to expand the Welsh Bio Innovation project into the agri-food sector in East Wales.
- 11 Defra has made funding available to local authorities to enable grants of up to £5,000 to be made to flood-hit homes and businesses to protect against future flooding.

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

- 1 The second estimate of Total Income from Farming for 2018 has been published. Total income fell by £971 millions, or 17 per cent, to £4,644 millions. Agriculture contributed £9,548 millions, or 0.51 per cent, to the national economy, down by £651 millions, or 6 per cent. Gross output rose by 2 per cent to £26,562 millions while intermediate consumption rose by 8 per cent to £17,014 millions. Lower yields hit crop output but higher prices resulted in a 0.9 per cent increase to £9,265 millions. The weather also affected livestock returns but again better prices resulted in a 2 per cent increase in output to £14,741 millions. Fuel, feed and fertilizer all saw significant cost increases. Labour costs rose by £76 millions to £2,703 millions with agriculture providing 1.17 per cent of jobs in the UK.
- 2 The Agricultural Price Index for September shows that outputs fell by 0.6 per cent, compared to August, and by 10.4 per cent compared to a year earlier, while inputs fell by 0.7 per cent and 0.9 per cent respectively.
- 3 The second estimate of Total Factor Productivity of the UK agriculture industry for 2018 has been published. Overall there was a fall of 2.2 per cent compared to 2017 with a fall in outputs of 2.6 per cent partly compensated by a fall in inputs of 0.4 per cent.

- 4 The Seasonal Labour in Horticulture Survey for England covering the period July to September has revealed that 44 per cent of respondents needed seasonal labour, the average shortfall was 6 per cent ranging from 25 person days in September to 35 person days in August.

## V Product prices

### A Market background

- I The Sterling exchange rate against Dollar and Euro diverged in trend this month. Against the Euro, Sterling improved: opening at 86.1p per €, weakening marginally to 86.6p early on, then improving to peak near the end of the month at 85.0p before closing at 85.2p per € (0.9p stronger). The trend against the US Dollar was more irregular but the movements were smaller than in recent months: opening at 77.3p per \$, the Pound fell to 78.3p, improved to 77.1p and fell to 78.0p before eventually closing back at 77.3p per \$ (unchanged). Brent Crude oil prices remained steadier than in previous months and improved overall. Opening at \$60.32, the average price rose to \$63.30, fell to a low of £60.91 and rose again to a closing peak of \$64.06 per barrel; a net increase of \$3.74 (6 per cent).

### B Crops

- I The average prices of wheat, barley and oilseed rape all improved this month, wheat most convincingly. Largely the movement was as a result of concerns over southern hemisphere cereal output (particularly Australia). Despite this and the poor planting conditions in Northern Europe, the EU appears to be suitably covered for 2019/20 and a larger global crop is predicted for the coming year; all pointing to a less bullish outlook for the coming months. LIFFE feed wheat futures improved early on, more convincingly in the shorter term, but relaxed as the end of the month approached; in late November, deliveries for November 2020 and 2021 stood at £156/tonne (+3) and £152/tonne (+3) respectively. Oilseed rape prices improved marginally despite the relative strength of Sterling and the marginal increase in oil price. The underlying improvement was driven by tight supplies of old crop and the material reduction in crop areas for the 2020 harvest.

Average spot prices in late November (per tonne ex-farm): feed wheat £140 (+8); milling wheat £158 (+11); feed barley £120 (+3); oilseed rape £319 (+2); feed peas £171 (-); feed beans £177 (-).

- 2 The average potato price (2019 crop) changed direction in November; making strong gains over the course of the month as the wet weather continued, eroding the chances of easily lifting the maincrop still in the ground; the free-by price followed suit. By the end of the month the market had resigned itself to reduced tonnages being available this season and the increase in price was despite much of the recently lifted crop needing to move promptly due to limited storage life. By late November the average potato price had gained £23 on its opening position of £139 per tonne to close at £162 per tonne (£43 below the November 2018 closing average). The free-buy average opened at £120 per tonne and responded similarly, with larger outright gains, to close the month at £162 per tonne (£42 up in the month but £100 below the November 2018 close).

2019 crop prices for grade I packing in late November (per tonne ex-farm): Salad varieties - mainly Annabelle, Maris Peer and Gemson - had fallen back to between £240 and £360; Maris Piper had materially improved over the course of the month to between £135 and £320; a limited sample of King Edward had moved at a lower average of £185; white varieties had improved again to between £135 and £250; meanwhile red skin varieties had improved, as a larger volumes moved this month, to between £175 and £250.

## C Livestock

- I Cattle prices improved steadily this month. The average finished steer price, from an opening position of 172p/kg lw, rose to 177p early on and, after a small hiatus, improved further to close at 181p/kg lw (up 9p to sit 10p/kg below the closing average a year earlier). The average finished heifer price was a little slower to start improving but had a similar month overall. From an opening position of 189p/kg lw, the price climbed steadily over the month to close at 197p/kg lw (up 8p, also tracking 10p below the price a year earlier). The average dairy cow price remained volatile: from an opening position of £934 per head, the average peaked at £1,261, dropped to £984 and bounced back to £1,117 before closing at £966 per head (£32 up and £55 above the average a year earlier).
- 2 Lamb prices continued the trend of improvement seen in the latter part of October and gained further over most of the month, only falling back by a small margin in the final days. The average new season finished lamb price (SQQ live weight) built on its opening position of 167p/kg lw to peak 20p higher at 187p/kg before relaxing to a closing position of 186p/kg lw (19p up and 10p/kg above the average a year earlier).
- 3 The average UK all pig price (APP) bucked the expected seasonal trend again this month. Falling prices would ordinarily be seen at this point in the year but the average increased by a small margin early on and then held steady for the remainder of the month. Opening at 159.0p/kg dw, the average improved to close at 160.2p/kg (up 1.2p to sit 12.7p/kg above the closing average a year earlier).
- 4 The UK average 'all milk' price for September, published in November, reported an increase of 0.67p to an average of 29.47ppl (1.13ppl below the average in September 2018 and 2.36ppl above the rolling 5 year average of 27.11ppl). In the rankings against the 'EU28' farmgate milk price, the August figures were released this month, recording the UK unchanged at 20<sup>th</sup> against a EU28 weighted average of 31.70ppl.

## VI Other crop news

- I The AHDB has issued its first official supply and demand estimate for the 2019/20 season. The production of oats has reached 1,082,000 tonnes, the highest since the 1970's and season ending stocks are forecast to be 240,000 tonnes, the highest since records began; the wheat surplus is estimated to be 2,979,000 tonnes, 50 per cent up on the 5-year average meaning that 2,565,000 tonnes is available for export or carry over; and the barley surplus is forecast to be 2,328,000 tonnes, 32 per cent above the 5-year average leaving 1,657,000 tonnes available for export or carry over.
- 2 The second estimate of Total Income from Farming for 2018 shows the value of wheat rose by £37 millions to £2,011 millions with volumes down by 9.7 per cent but prices up by 11.5 per cent. Barley production fell below the 5- year average as a result of yield and area reductions but an 18 per cent increase in prices meant that the overall value rose by £67 millions to £938 millions. Oilseed rape saw a 7.1 per cent reduction in production and a 7.6 per cent fall in average price resulting in an overall decrease in output of £108 millions to £654 millions. A 15 per cent fall in sugar beet production saw output fall by £15 millions to £214 millions while a 19 per cent fall in production resulted in the output of potatoes falling by £200 millions to £641 millions. The output of vegetables was unchanged at £1,421 millions but output of fruit rose by £24 millions to £776 millions. The output of other crop products rose significantly, by £320 millions to £759 millions, mainly driven by strong demand for straw from the livestock industry.

- 3 Initial AHDB forecasts indicate the 2019/20 planted area for wheat will be 1,650,000 hectares, down 9 per cent and the lowest planted area since 2013; spring barley area is forecast to be up 28 per cent at 915,000 hectares; the oats area is forecast to be 200,000 hectares, the highest since 1976; and the oilseed rape area is forecast to fall by 23 per cent to 406,000 hectares.
- 4 Scientists at Cambridge University believe they are close to creating cereal crops which do not need artificial fertilizer by linking lateral root systems to nitrogen-fixing nodules.
- 5 The second estimate of Total Factor Productivity for the UK in 2018 shows that the output of cereals fell by 10.2 per cent, compared to 2017 with falls of 10.4 per cent in wheat, 12 per cent in barley but increases of 17.6 per cent in rye and 8.8 per cent in oats. Output of oilseed rape fell by 7.1 per cent and there were falls of 42.3 per cent in protein crops and 14.8 per cent in sugar beet. The output of fresh vegetables fell by 9.6 per cent and potatoes fell by 19.6 per cent but the output of fruit rose by 1.5 per cent.
- 6 Russia has reduced its 2019/20 wheat production forecast from 78 million tonnes to 75 million tonnes.
- 7 The Agricultural Price Index for September shows that crop products fell by 0.6 per cent, compared to August, and by 20.2 per cent compared to a year earlier. There were falls for wheat (3.1 per cent and 38.1 per cent), barley (4.3 per cent and 53.2 per cent), oats (2.7 per cent and 42.4 per cent), potatoes (15.8 per cent and 27.6 per cent) and fresh vegetables (1.9 per cent and 12.5 per cent). Oilseed rape rose by 4.1 per cent and 5 per cent respectively while fresh fruit rose by 26.3 per cent compared to August but was down 14 per cent on a year earlier.
- 8 North-western European Potato Growers has estimated this year's harvest at 27 million tonnes assuming all the crop is lifted. This is 10 per cent up on 2018 and 1.8 per cent more than the 5-year average. Average yields are estimated at 43.9t/hectare, 3t/hectare up on last year but 6.8 per cent below the 5-year average.
- 9 The British potato crop is forecast to be 4.8 million tonnes as adverse weather conditions mean much of the crop still in the ground will not be lifted.
- 10 Kantar data indicates that, in the 12 weeks to 3 November, soft fruit increased its share of the fresh fruit market to 26 per cent, up 2 per cent on the previous year. Blackberry sales grew by 23 per cent and strawberries by 17 per cent.
- 11 Scientists at the James Hutton Institute believe that the June cherry drop is caused by the tree rejecting fruit that is not viable for reproduction. It was discovered that seeds in dropped cherries were either empty or contained an aborted embryo.

## VII Other livestock news

- I The second estimate of Total Income from Farming for 2018 shows the output of cattle meat fell by £36 millions to £2,952 millions despite average price increases of 0.9 per cent. The value of pig meat fell by £73 millions to £1,253 millions mainly due to average price falls as a consequence of over production. Output of sheep meat rose by £60 millions to £1,261 millions as a result of the highest prices seen for some years despite falls in production. Output of poultry meat rose by £208 millions to £2,626 millions, the highest ever recorded. Constant production resulted in an increase in milk output of £136 millions to £4,487 millions with the average price up 0.56ppl or 1.9 per cent. A volume increase of 5.1 per cent resulted in the output of eggs increasing by £17 millions to £641 millions.

- 2 In October, UK prime cattle slaughterings rose by 1.4 per cent, compared to a year earlier, to 186,000; beef and veal production rose by 3 per cent to 86,000 tonnes; sheep slaughterings rose by 1.7 per cent to 1,299,000; mutton and lamb production rose by 2.5 per cent to 29,000 tonnes; pig slaughterings rose by 3.9 per cent to 1,002,000; and pigmeat production rose by 5.1 per cent to 89,000 tonnes.
- 3 The second estimate of Total Factor Productivity for the UK in 2018 shows that the output of livestock meat rose by 0.7 per cent with increases of 1.5 per cent in pigs and 5.7 per cent in poultry but falls of 2.1 per cent in cattle and 3.3 per cent in sheep. The output of milk rose by 0.3 per cent and that of eggs by 5.1 per cent but there was a fall of 6.2 per cent in the output of wool.
- 4 The Agricultural Price Index for September recorded an increase of 0.2 per cent in animals and animal products, compared to August, but a fall of 3.9 per cent compared to a year earlier. Cattle and calves fell by 2.3 per cent and 8 per cent respectively as did sheep and lambs by 4.5 per cent and 7.2 per cent respectively. Pigs rose by 0.8 per cent and 6.2 per cent respectively, poultry fell by 3.3 per cent compared to a year earlier, milk rose by 3.6 per cent, compared to August, but fell 3.6 per cent compared to a year earlier while eggs fell by 1 per cent compared to a year earlier.
- 5 In the year to August, the number of new herd bovine TB incidents in England fell by 5 per cent, compared to the previous year, with a fall of 9 per cent in the High risk area but increases of 5 per cent in the Edge area and 22 per cent in the Low risk area. There were falls of 30 per cent in Scotland and 5 per cent in Wales. The number of herds not officially TB free fell by 6 per cent in England with a fall of 9 per cent in the High risk area but increases of 1 per cent in the Edge area and 42 per cent in the Low risk area. There was a fall of 13 per cent in Scotland but an increase of 7 per cent in Wales.
- 6 The latest Global Dairy Trade auction reported an overall increase of 1.7 per cent in the price index. Whole milk powder rose by 2.2 per cent, skimmed milk powder by 3.3 per cent and cheddar by 2.5 per cent but the butter index fell by 1.3 per cent.
- 7 Milk production between April and October has reached 7.44 billion litres, 2 per cent up on the same period in 2018 and the second highest production level in the past 25 years.
- 8 According to BCMS, the GB milking herd has fallen by 42,000, or 2.4 per cent, in the past year to 1,750,000 head. The main fall was recorded in cows aged 2-4 years while those in the age range 4-6 years rose by 2.4 per cent. The number of youngstock fell by 0.8 per cent.
- 9 Milk production in October totalled 1,193 million litres, up 3.1 per cent on September but down 0.6 per cent on a year earlier. Average butterfat rose by 2.1 per cent, on September, to 4.23 per cent and was up 1.5 per cent compared to a year earlier. Average protein rose 1 per cent to 3.45 per cent and was 0.2 per cent higher than a year earlier.
- 10 In September, UK dairies processed 1,105 million litres of milk, unchanged from the rolling average to August. Cheese production rose by 0.3 per cent to 39,200 tonnes, butter production by 0.9 per cent to 15,300 tonnes and milk powder production by 0.7 per cent to 8,700 tonnes but liquid milk production fell by 0.6 per cent to 527 million litres.
- 11 In the past few weeks there have been reports of African Swine Fever in wild boar in the west of Poland, not far from the German border. Cases have also been reported in southern Bulgaria.
- 12 In the past two months there have been further outbreaks of African Swine Fever in China, Laos, the Philippines and South Korea as well as a new outbreak in Indonesia.

- 13 The Texel Sheep Society has launched a cloud-based database for the collection, storage, analysis and publishing of animal data in the breed.
- 14 In October, UK commercial layer chick placings fell by 5.6 per cent, compared to a year earlier, to 3.9 million chicks; broiler chick placings rose by 1.3 per cent to 105.1 million chicks; turkey chick placings rose by 29 per cent to 1.3 million chicks; turkey slaughterings rose by 0.7 per cent to 1.7 million birds; broiler slaughterings fell by 4.2 per cent to 104 million birds; and total poultry meat production fell by 4.9 per cent to 194,000 tonnes.

## **VIII Inputs/Supply businesses**

- 1 The second estimate of Total Income from Farming for 2018 has revealed an increase in the cost of intermediate consumption of £1,189 millions to £17,014 millions. The cost of animal feed rose by £560 millions to £5,571 millions as a result of increased demand and average price. Energy costs rose by £143 millions to £1,377 millions as a result of higher oil prices although overall usage fell because of milder weather. Higher oil prices also resulted in an increase in fertilizer costs of £22 millions to £1,252 millions.
- 2 Bayer's SpotCheck has reported that light leaf spot was identified in oilseed rape crops in Derbyshire and Angus at the end of October with further sightings subsequently found in Oxfordshire, Yorkshire, Norfolk and the Scottish Highlands.
- 3 The second estimate of Total Factor Productivity for the UK in 2018 shows increases of 0.5 per cent in electricity and fuels for heating, 0.2 per cent for motor and machinery fuels, 3 per cent for animal feed and 3.3 per cent for buildings maintenance. There were falls of 0.8 per cent in seeds, 9.8 per cent in fertilizers, 10.3 per cent in chemicals and 6.1 per cent in veterinary services.
- 4 The latest survey shows that pesticide applications to Scottish arable crops in 2018 was 4 per cent down on the previous survey results in 2016; 98 per cent of arable crops were treated; 28 per cent of stored seed potatoes and 13 per cent of ware potatoes were treated, again lower than in 2016; 93 per cent of soft fruit crops were treated, up 10 per cent on 2016; and 55 per cent of arable farms used rodenticides, down from 78 per cent in 2016.
- 5 The Agricultural Price Index for September records falls in all inputs of 0.7 per cent, compared to August, and 0.9 per cent compared to a year earlier. Energy and lubricants fell by 1.3 per cent and 0.9 per cent respectively, fertilizers by 1.2 per cent and 5.7 per cent respectively and animal feeding stuffs by 1.4 per cent and 5.6 per cent respectively. Seeds fell by 2.2 per cent, compared to a year earlier, chemicals fell by 0.4 per cent, compared to August, but rose by 14.4 per cent compared to a year earlier, and veterinary services rose by 0.5 per cent compared to a year earlier.
- 6 A survey undertaken by Pesticide Action Network UK has revealed that Aldi is the only UK supermarket which does not allow the use of pesticides banned by the EU anywhere in its global supply chains. It also found that Waitrose does not allow global suppliers to use neonicotinoids without a valid justification.
- 7 Potato grower members of the Red Tractor Assurance Scheme will need to adhere to the Nematicide Stewardship Programme Best Practice Protocol with effect from 1 March 2020.
- 8 The bio-insecticide FLIPPER has been granted extensions of authorisation for minor use for control of a range of insect pests, particularly for use on fruit, herbs and field vegetables.

## **IX Marketing**

- 1 Waitrose is to source all its own-label fresh and frozen lamb for Britain by the summer of 2021. This follows the policy of Aldi, the Co-op and Morrisons.
- 2 In the nine months to September, cheese exports rose by 9 per cent, compared to the same period last year, with mozzarella up 7,200 tonnes or 62 per cent, and cheddar up 4,700 tonnes, or 7 per cent. Butter exports rose by 14 per cent while exports of other milk fats rose by 18 per cent.
- 3 Irish whiskey has been granted Protected Geographical Indication status.

## **X Miscellaneous**

- 1 The Women in Agriculture Taskforce, commissioned by the Scottish Government, has recommended creating an environment that empowers women to take up leadership posts and supports fairness of opportunity; ensuring women have equal access to skills development opportunities to enable them to succeed and their businesses to flourish; challenging existing cultural norms that view men as heirs to agricultural businesses; and developing an Equality Charter for Scottish agriculture that will be mainstreamed into all Scottish Government agricultural and related policies.
- 2 The mid-year population estimate for England in 2018 was 56 millions of which 9.5 millions, or 17 per cent, lived in rural areas. This is an increase of 400,000 compared to 2011 but a fall overall of 0.2 per cent. Within rural areas, 500,000 people lived in sparse settings. The peak age group in rural areas is 50 to 54 making up 8 per cent of the rural population whereas the peak age group in urban areas is 25 to 29. In rural areas, those over 65 make up 24.8 per cent of the population compared to only 16.8 per cent in urban areas. In sparse settings the figure increases to 29.7 per cent.

## **Postscripts**

Compassion please at this time of year!

A question to ponder ...

Are you a prostitute or are you an auditor?

1. You work very odd hours.
2. You are paid a lot of money to keep your client happy.
3. You are paid well but your pimp (partner) gets most of the money.
4. You spend a majority of your time in a hotel room.
5. You charge by the hour but your time can be extended.
6. You are not proud of what you do.
7. Creating fantasies for your clients is rewarded.
8. It's difficult to have a family.

9. You have no job satisfaction.
10. If a client beats you up, the pimp just sends you to another client.
11. You are embarrassed to tell people what you do for a living.
12. Your client pays for your hotel room plus your hourly rate.
13. Your client always wants to know how much you charge and what they get for the money.
14. Your pimp drives nice cars like Mercedes or Jaguars.
15. Your pimp encourages drinking and you become addicted to drugs to ease the pain of it all.
16. When you leave to go see a client, you look great, but return looking like hell (compare your appearance on Monday AM to Friday PM).
17. You are rated on your “performance” in an excruciating ordeal.
18. Even though you get paid the big bucks, it’s the client who walks away smiling.
19. The client always thinks your “cut” of your billing rate is higher than it actually is, and in turn, expects miracles from you.
20. When you deduct your “take” from your billing rate, you constantly wonder if you could get a better deal with another pimp.
21. Your pimp seems to often abuse you, forgetting that without you, he would not have a business.
22. You do all the real work, but the pimp has a higher stigma and more money, and really just has to “coordinate” the work for you. Sometimes, you wonder if you could just make more money pimping out yourself.
23. You get so brainwashed into the lifestyle, that you don’t realise that life can be better, until it is too late.
24. Personal time, or a work/life balance, is meaningless to your pimp, all he cares about is satisfying the clients, despite how many times he tells you he loves you.
25. After a few years, you find that all your non-prostitute friends are no longer your friends, because you lost touch and your schedule and lifestyle was difficult to manage, and you find that you associate primarily with other prostitutes.
26. The turnover rate is ridiculously high. Everyone thinks they can do it for a few years, no problem, but after just a few clients railing you, many break under the pressure, or quit for a better life.
27. Most of the time, your job could be performed by a well-trained monkey.

# Monthly Farming Update

## Gains to the Capital!

It is not the responsibility of this journal to make legislative predictions or comment on the view of political parties. However, it seems reasonably assured that, one way or another, Capital Gains Tax is about to come under attack.

It is widely forecast that the days of Entrepreneur's Relief are numbered. This is, perhaps, not surprising. The relief was designed to reward innovative entrepreneurs who developed a business and then capitalised on its success. However, the relief is so widespread in its application that it captures gains arising merely through the effects of inflation through to the sales of development land by landowners – hardly entrepreneurial.

Most sales of land for development take years to come to fruition. It is therefore not difficult to organise one's affairs such that, on a sale, the relief is available. In many cases, it is probably one's forebears who were 'entrepreneurial' by acquiring the land holding in the first place, in others the land holding has been in the family for generations. The fact it is now desired by a developer hardly warrants a beneficial tax relief.

However, there is nothing wrong in taking advantage of tax legislation as drafted. That is what all right-minded, law abiding citizens should do, irrespective of the nature of the tax.

So while Entrepreneur's Relief remains available, consider if it can be used to effect. The contract for sale of land to a developer may not be on the table but it remains possible to take advantage of the tax relief if there has been a substantial uplift in the value of the asset held.

As with all aspects of tax planning, keep within the law but use some imaginative thinking.

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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