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# MONTHLY FARMING UPDATE

# April 2024



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### I Policy issues

- 1 A new All Party Parliamentary Group has been established to tackle unfairness in the supply chain and increase food self-sufficiency to 70 per cent.
- 2 The NFU, AHDB, NFU Cymru, NFU Scotland and the Ulster Farmers Union have commissioned an independent appraisal of farm to fork assurance schemes.
- 3 The Scottish Government has introduced the Land Reform (Scotland) Bill; measures include:
  - The prohibition of sales of holdings over 1,000 ha until Ministers have considered the impact on the local community potentially leading to some holdings being lotted into smaller parts if it helped local communities.
  - Giving communities more opportunity to own land by introducing advance notice of sales from holdings in excess of 1,000 ha.
  - Giving owners of the largest holdings the responsibility to show how the land is used and how that use contributes to key public priorities and the requirement to engage with local communities regarding land use.

### II Reform

- 1 Defra has announced that applicants under the Sustainable Farming Initiative will only be able to put 25 per cent of their land into actions which take land out of direct food production. The actions are:
  - Flower-rich grass margins.
  - Pollen and nectar flower mix.
  - Winter bird food on arable and horticultural land.
  - Grassy field corners and blocks.
  - Improved grassland field corners or blocks out of management.
  - Winter bird food on improved grassland.
- 2 The claim window for existing Countryside Stewardship and Environmental Stewardship agreements is open and claims must be submitted by 15 May to avoid late payment reductions.
- 3 The average Basic Payment in 2022/23 fell to £22,700, 25 per cent of average Farm Business Income, compared to £28,400 and 55 per cent in 2021/22; across all farm types Basic Payment fell by 21 per cent in 2022/23; grazing livestock and mixed farms were most reliant on the Basic Payment.
- 4 The delinked payment scheme rules have been approved by Parliament and came into force on 1 January. Payments will continue until 2027.
- 5 The Scottish Government has provided details of actions farmers and crofters will have to take to receive agricultural support payments from 2025 including:
  - A new calving interval of 410 days measured on an individual animal basis added to the Scottish Suckler Beef Support Scheme to help cut emissions intensity and make beef production more efficient.
  - The introduction of the first Whole Farm Plan conditions which require farmers and crofters to complete two baselining activities from a list of options including carbon audits, biodiversity audits, soil analysis, the creation of animal health and welfare plans or integrated pest management plans.
  - New conditions for peatlands and wetlands under Good Agricultural Environmental Conditions 6 of Cross Compliance to help protect carbon stores.

### III Grants/regulations/legislation/environment

- 1 Defra and the Forestry Commission have increased the payment rates under the England Woodland Creation Offer scheme with the current maximum rate of £8,000 per hectare increasing to £11,600 per hectare. New measures include:
  - A new payment of £1,100 per hectare to encourage applications on low sensitivity land avoiding land most suitable for food production.
  - A new 'Nature Recovery-premium' payment option of £3,300 per hectare has been added to the Nature Recovery Additional Contribution to encourage the planting or natural colonisation of highly biodiverse woodlands next to ancient woodland.
  - Increases to existing additional contributions with a focus on riparian buffers, flood mitigation and access.
  - An increase from £350 to £400 per hectare per year for 15 years in annual maintenance payments.
- 2 Defra is to provide investment of £180 millions over the next 12 months to prevent more than 8,000 sewage spills polluting English waterways. Investment will include the use of AI systems to help manage storm loads, the installation of in-sewer monitors to check flows and spot blockages early, the recruitment of specialist staff and accelerated wetland construction programmes.
- 3 Lloyds Bank has become the first corporate donor to the Projects for Nature platform with a contribution of £250,000. Three projects will benefit:-
  - Weald to Waves: a project to create a 100-mile nature recovery corridor, connecting over 20,000 ha of habitats along 3 main rivers in Sussex to the coast.
  - Resilient Glendernmachin: the West Cumbria Rivers Trust will re-wiggle rivers, plant trees and restore wetlands to ensure natural flood management interventions work for over 40 farms covering 11,000 ha.
  - Peak District-Nature Recovery at Dalehead: The National Trust will organise the restoration of 2.6km of wetland between Mam Tor and Kinder Scout enabling expansion of the Peak Regenerative Farmers initiative.
- 4 Red Tractor has dropped its Greener Farms Commitment module following feedback from its members.
- 5 Soil Association Exchange is to deliver environmental measures for farms in public sector purchasing as part of the Crown Commercial Services Buying Better Food and Drink agreement.
- 6 Defra has announced further funding of £25 millions for the Species Survival Fund with grants of up to £3 millions being awarded including:
  - £1.7 millions to Hertfordshire and Middlesex Wildlife Trust to restore chalk rivers and create 49 hectares of wetland habitat across Hertfordshire.
  - £1.5 millions to restore over 3km of chalk stream habitat, enhance wet woodlands and improve chalk grasslands in the North Wessex Downs Area of Outstanding Natural Beauty.
  - £1.1 millions to Groundwork Greater Manchester to unlock a nature corridor across the Medlock Valley.

- 7 The Agri-climate report shows that total agricultural greenhouse gas emissions fell by 12 per cent between 1990 and 2021. In the same period, emission intensities from cattle fell by 4 per cent, from dairy by 23 per cent and from pigs by 44 per cent but sheep emissions increased by 5 per cent. In terms of million tonnes carbon dioxide equivalent, total agricultural greenhouse gas emissions fell from 54.4mt to 47.9mt, nitrous oxide emissions fell from 16.6mt to 13.6mt and methane emissions fell from 32.5mt to 27.9mt but carbon dioxide emissions increased from 5.3mt to 6.5mt. The 2023 Farm Practice Survey showed that 62 per cent of farmers thought it important to consider greenhouse gases when making farm business decisions but 32 per cent did not.
- 8 Domestic hedgerow regulations are to be protected in law and will include a two metre 'buffer strip' from the centre of hedgerows with no cultivation or application of pesticides or fertilizers and a hedge cutting ban between 1 March and 31 August.
- 9 The Secure Quality Assured Logistics for Digital Food Ecosystems, funded by Innovate UK, has developed a digital tracking and condition monitoring system using blockchain technology to collect data on the movement of produce from farm to fork with the objective of reducing food waste.
- 10 A new Community Green Spaces Fund has been created with funding of £7 millions. Grants of up to £75,000 will be available to help communities plant fruit, vegetables and trees and to expand natural play facilities for children. A further £5 millions will be available to help with community projects such as village hall extensions and improve Wi-Fi access.
- 11 Figures from Defra on fly-tipping in England in 2022/23 show:
  - Local authorities dealt with 1.08 million incidents, down by 1 per cent.
  - 60 per cent of fly-tips involved household waste with the total being 653,000, down 3 per cent.
  - Highways accounted for 40 per cent of fly-tips, the most common, with the total being 433,000 fly-tips, down 7 per cent.
  - The most common size category was equivalent to 'a small van load' at 31 per cent followed by a 'car boot or less' at 27 per cent.
  - 40,000 incidents were of 'tipper lorry load' size, up 13 per cent. The cost of clearance of these incidents rose from £10.7 millions to £13.2 millions.
  - Local authorities carried out 532,000 enforcement actions, up 5 per cent.
  - 69,000 fixed penalty notices were issued, down 25 per cent.
  - The average court fine increased from £466 to £526 but the number of fines fell by 17 per cent to 1,491 with the combined value falling 6 per cent to £785,000.
- 12 The Royal Countryside Fund has awarded a total of £434,945 to rural communities and support organisations across the UK. Those benefiting include Exmoor Hill Farming Network, Herefordshire Rural Hub, The Farmer Network, The Farming Life Centre, Upper Teesdale Agricultural Support Services, Farm Cornwall and Dartmoor Hill Farm Project.
- 13 Data has been published on local authority collected waste from households in England in 2022:
  - The official recycling rate was 43.4 per cent, down 0.7 per cent.
  - Metal recovered and recycled after incineration was unchanged at 1 per cent.
  - Total waste fell by 7.9 per cent to 21.5 million tonnes.
  - Treated residual waste fell by 6 per cent to 12.1 million tonnes.

- 14 Field Robotics has been awarded a £600,000 grant by Defra and Innovate UK to develop the BerryAI Project.
- 15 Rootwave's eWeeder for orchards and vineyards has been included as qualifying machinery in the Farming Equipment and Technology Fund 2024 with a grant of £50,000 available, more than 50 per cent of the machine's list price.
- 16 An Asian Hornet has been captured in a potting shed in Ash, Kent.

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

- 1 Defra has published the forecast of Farm Business Income for 2023/24. This shows:
  - Average Farm Business Income is expected to fall for all sectors apart from grazing livestock and specialist pig farms.
  - Cereal farms and general cropping farms will see falls of 77 per cent and 58 per cent respectively reflecting lower output.
  - Dairy farms will see a fall of 78 per cent due to the reduction in the milk price.
  - Grazing livestock farms in all areas will see a small increase due to increased output and lower feed costs.
  - A fall in output on specialist pig farms will be more than offset by reduced feed costs resulting in an overall increase of 34 per cent.
  - Mixed farm incomes are expected to fall by 46 per cent.
- 2 As at 1 June 2023, 6.2 Mha of agricultural land were owned in England and 2.9Mha were rented under agreements of one year or more. Of the rented area, 1.2Mha were under Full Agricultural Tenancy Agreements, 1.3Mha under Farm Business Tenancies and 488,000 hectares under other types of agreements. 564,000 hectares were rented in seasonally and 494,000 hectares were let out on a seasonal basis. 54 per cent of farms were solely owned accounting for 38 per cent of the total area; 14 per cent of farms were wholly tenanted accounting for 14 per cent of the total area; and 31 per cent of farms were of mixed tenure, accounting for 48 per cent of the total area.
- 3 Data has been published on Average Farm Business Income for 2022/23:
  - Cereal farms increased by 25 per cent to £150,400 reflecting increased yields and firm prices.
  - General cropping farms fell by 14 per cent to £125,200 due to lower output and the reduction in Basic Payment.
  - Dairy farms increased by 63 per cent to £229,200 driven by a substantial increase in output and higher prices.
  - Grazing livestock farms fell by 37 per cent to £21,600 in lowland areas and by 47 per cent to £25,400 in Less Favoured Areas due to lower output and increased costs.
  - Specialist pig farms increased by 477 per cent to £67,900 due to higher output.
  - Specialist poultry farms fell by 23 per cent to £105,900 as a result of significant increases in feed costs.
  - Horticulture farms increased by 58 per cent to £95,600.
- 4 The Agricultural Price Index for outputs for January fell by 5.6 per cent, compared to a year earlier, but rose by 0.6 per cent compared to December. The index for inputs fell by 11.3 per cent, compared to a year earlier, but rose by 0.9 per cent compared to December.

- 5 The Scottish Government has reported that average farm incomes grew to £69,100 in 2022/23, up £14,600 on the previous year and the highest since 2012/13. General cropping farms reported an increase of 83 per cent to £167,100; dairy incomes rose to £248,700; cereal incomes rose to £99,700; and mixed farms rose to £85,750. However, income for livestock farms, which make up 60 per cent of commercial units, fell on average and losses continue to be made on agricultural activity alone. Only 8 per cent of sheep farms in Less Favoured Areas made a profit without supporting payments.
- 6 British Standards Institution has worked with Defra on its Nature Investment Standards Programme to develop operational standards for the supply of 'high integrity units' in nature markets such as biodiversity, natural carbon and nutrients. The standard creates a set of principles and a common definition of nature investments and outlines steps in provision against 'greenwashing.' The principles include transparency, governance, quantification of units, timing of information, competence of delivery, openness to innovation, delivering multiple benefits to nature and local community engagement.
- 7 The Agricultural Mortgage Corporation has launched The Clean Grow Financing Initiative to provide discounted lending to help the British agricultural sector transition to more sustainable practices.
- 8 NFU Scotland has announced a partnership with Durham-based finance broker Anglo Scottish Asset Finance to create NFU Scotland Finance to offer bespoke business finance solutions to NFU Scotland's members.

## **V Product prices**

### **A Market background**

- 1 Sterling improved modestly against both Euro and US Dollar this month but via very different routes. Having opened the month against the Euro at 85.5p, Sterling improved to peak at 85.0p, then fell to 86.2p, before recovering to close at 85.4p per € (0.1p stronger). Against the US Dollar there was a far greater swing; Sterling opened the month at 79.2p and improved to a high of 77.6p, before falling back to a late month close of 79.1p per \$ (0.1p stronger).
- 2 The gold price smashed the all-time high it set in December 2023 with significant gains this month. From a starting point of £1,606 per troy ounce, it gained throughout the month to close at £1,773 per troy ounce (an improvement of £167; 10 per cent up).
- 3 Crude oil prices regained a level of volatility this month, with an overall trend of improvement. Brent Crude opened at \$82.50 per barrel and dropped to \$81.90 early on before climbing to a mid-month peak of \$87.30 and, after falling back, returned to a closing price of \$87.40 per barrel, up \$5.60 overall.

### **B Crops**

- 1 The cereals market recovered this month from the significant falls seen in February. The sustained poor growing conditions in UK and the EU led to a strengthening market despite the large Russian stocks still thought to be available. The position was further exaggerated by speculative traders buying in and cashing out. Average milling premiums remain above £60 per tonne in light of the tight global supply of milling quality and the likelihood of a difficult 2025 harvest. Feed wheat futures recovered from the falls seen in February and by late March, deliveries for November 2024 and 2025 were £195/tonne (+11) and £196/tonne (+7) respectively. Oilseed rape prices improved, recognising that the 2025 growing area in the Northern Hemisphere is significantly down, but also following the lead of both crude oil markets and global oilseed prices. Average spot prices in late March (per tonne ex-farm): feed wheat £166 (+14); milling wheat £233 (+8); feed barley £145 (+9); oilseed rape £359 (+19); feed peas £242 (+9); feed beans £237 (+3).

## C Livestock

- 1 The average live-weight cattle prices for steers and heifers closed up this month, albeit behaving differently in the meantime. The average steer price rose from its opening average of 274p/kg lw to peak at 279p/kg lw and, after falling back to 272p/kg, closed the month at 278p/kg lw (up 4p, to sit 9p/kg above the average a year earlier). The average finished heifer price held flat at its opening position of 280p/kg lw throughout the month, only climbing in the final days to a closing average of 283p/kg (up 3p overall, to sit 6p above the average a year earlier). The average dairy cow price remains volatile, with a swing of £333 per head this month; first falling from its opening position of £1,413 per head to a low of £1,336, then improving to a peak of £1,558, before falling to close at the month's low of £1,215 per head (down £198 to sit £384 below the average a year earlier).
- 2 The average finished lamb price (SQQ liveweight, old season) improved further this month but closed on a downward trend. Opening at 322p/kg lw, the average proceeded to increase significantly to peak near the end of the month at 380p/kg, falling back slightly to close the month at 370p/kg, up 48p/kg to sit 103p/kg above the average a year earlier.
- 3 The average UK all pig price (APP) fell back from the February close of 211p/kg dw to a low of 210p/kg, before recovering at the end of the month to close at 213p/kg dw (up 2p, to sit 2p below the prior year closing average).
- 4 The UK milk price, in the most recent reports, fell back. The UK average 'all milk' price for January, reported in March, was 37.68ppl: 0.15ppl below the December average, 11.52ppl below the price a year earlier but 3.00ppl above the rolling 5-year average of 34.68ppl. The EU average for January was 41.32ppl; 0.02ppl below the December average and 9.32ppl below the price a year earlier.

## VI Other crop news

- 1 The AHDB crop condition report shows that high levels of rainfall have taken their toll on winter crops with the worst conditions in the East and West Midlands, the East of England and Yorkshire and the Humber. Only 34 per cent of GB winter wheat is rated as good or in an excellent condition, down from 90 per cent at the same time last year; 38 per cent of winter barley is rated as good or excellent compared to 92 per cent last year; 37 per cent of winter oats is rated as good or excellent compared to 83 per cent last year; and 31 per cent of the oilseed rape crop is similarly rated compared to 70 per cent last year.
- 2 The Nitrogen release from Cover Crops project, funded by Affinity Water and Portsmouth Water and delivered by ADAS, has identified that cover crops reduce nitrate leaching losses by up to 90 per cent when compared to weedy stubble control while soil nitrogen supply to the following spring cereal crop increased by up to 35kg N/ha. The trial was undertaken on commercial farms in Hertfordshire and West Sussex and involved the use of Phacelia and Oil Radish; and Japanese oats, Buckwheat and Phacelia.
- 3 The Agricultural Price index for crops for January shows increases of 64.1 per cent for potatoes, compared to a year earlier, 50 per cent for forage plants, 3.1 per cent for fresh vegetables and 17.1 per cent for fresh fruit but there were falls of 24 per cent for wheat, 19.4 per cent for barley, 2.1 per cent for oats and 29 per cent for oilseed rape. Compared to December, there were increases of 0.4 per cent for wheat, 2.8 per cent for barley, 3.9 per cent for oats, 3.6 per cent for potatoes, 10.5 per cent for forage plants, 1.5 per cent for fresh vegetables and 9.8 per cent for fresh fruit but a fall of 0.8 per cent for oilseed rape.

- 4 The latest AHDB survey reveals that the wheat planted area is down 15 per cent at 1.463Mha, the largest reduction since 2020; the oilseed rape area is down 28 per cent at 280,000 ha, the largest reduction since the 1980s; the winter barley area is down 22 per cent at 355,000 ha, the largest reduction since 2020; and the spring barley area is up 29 per cent at 881,000 ha.
- 5 In the period July to January, animal feed production rose by 1.3 per cent to 7.81Mt but sheep feed production fell by 7.8 per cent and pig feed production by 0.9 per cent.
- 6 Albert Barlett is seeking a more resilient and sustainable variety of potato to replace Maris Piper which has been grown since 1966. Extremes of weather and rising costs have made the crop less financially viable and large quantities of water were often needed for washing.
- 7 The Environment Agency has launched a campaign to discourage farmers in Devon and Cornwall from growing maize, fodder beet and potatoes on light, sandy soils that are vulnerable to erosion and heavy clay soils that lie wet for prolonged periods that are at risk of run-off.
- 8 Pulses UK has joined the Agricultural Industries Confederation.
- 9 Unilever has brought together English Mustard Growers and Norfolk Mint Growers to launch a regenerative agriculture project to grow mustard seeds and mint leaves for Colman's products. The project will investigate the use of low carbon fertilizer, crop nutrition strategies, planting of cover and companion crops to reduce pesticide use, new digital water irrigation scheduling systems and reduced cultivation.
- 10 The 2024 Onion and Carrot Conference will take place at the Leicester Tigers Conference Centre on 27 November 2024.
- 11 Updated figures from the World Apple and Pear Association for apple and pear stocks at the beginning of January show that European apple stocks were down 4.6 per cent on a year earlier at 4,035,178 tonnes. The UK showed the biggest drop at 31.3 per cent with the Czech Republic down 29.8 per cent, Austria down 2.4 per cent, the Netherlands down 22.7 per cent, Germany down 22 per cent and Denmark down 21 per cent. The largest stock was in Italy, up 4.8 per cent. Pear stocks were down 4.4 per cent at 582,587 tonnes but UK stocks were unchanged.
- 12 Thanet Earth has acquired Leythorne Nurseries, near Chichester. The 8.25 acre site with 27,000 sq m of glasshouses will operate as Thanet Earth Lettuce and will supply crops all year round using a deep-flow hydroponic system.
- 13 Aldi salad supplier UK Salads Ltd has gone into administration with the loss of over 200 jobs and £15 millions worth of unharvested crop which will go to waste.
- 14 Angus Soft Fruits has started commercial production of AVA Alicia and AVA Catalina at its facility in Spain. The varieties are designed to combine the genetics that would express the appearance and flavour of summer season berries while producing fruit in the short days of winter.
- 15 Scientists from the Department of Technical Physics and the Department of Environment and Biological Sciences at the University of Eastern Finland have used magnetic resonance imaging to investigate how the pathogen *Phytophthora cactorum* affects the growth and development of strawberry plants. The pathogen causes crown rot in strawberries.
- 16 FruitWatch, led by the University of Reading, is to undertake the UK's largest ever fruit tree monitoring project, including the observation of peach and apricot flowering dates as rising temperatures mean that peaches and apricots are increasingly suitable for the UK climate.



- 17 An organic fruit grower in Switzerland is experimenting with the installation of solar panels above his raspberry crop to determine if viable production can be maintained with half the usual amount of light. The concept, known as agri-PV, is more established in countries such as Japan, where about 180 different crops are being grown on over 3,500 sites.
- 18 The Greenhouse Horticulture and Flower Bulbs Business Unit of Wageningen University & Research in the Netherlands is investigating the use of lasers to control greenhouse pests with the current focus on thrips and aphids.
- 19 A farm in Australia has broken the world record for the largest blueberry measuring 39.31mm. The berry weighed 20.4g, breaking the previous record of 16.2g.

## VII Other livestock news

- 1 Details of livestock populations in England at 1 December 2023 have been published. The number of cattle and calves fell by 1.2 per cent, compared to a year earlier, to 5 millions; the female breeding herd accounted for 46 per cent of all female cattle; the breeding herd fell by 2.1 per cent to 1.688 millions; the beef breeding herd fell by 4.2 per cent to 597,000; and the dairy breeding herd fell by 0.9 per cent to 1.09 millions. The number of pigs fell by 10 per cent to 3.3 millions with the number of fattening pigs falling by 11 per cent; the female breeding herd, which accounts for 79 per cent of breeding pigs, rose by 0.7 per cent to 239,000; and the number of sows in pig rose by 3.5 per cent more than offsetting a fall of 16 per cent in the number of gilts in pig. The number of sheep and lambs fell by 4.7 per cent to 10.1 millions. The female breeding flock fell by 3.8 per cent to 6.1 millions.
- 2 Defra has issued a consultation on proposals to restrict badger culling as an option in targeted parts only of the High Risk and Edge areas until the UK's Chief Veterinary Officer has deemed the disease situation to have improved. Elsewhere vaccination will be used.
- 3 In the 3 months to December, the number of new herd bovine TB incidents in England fell by 17 per cent, compared to a year earlier, with falls of 19 per cent in the High Risk area and 9 per cent in both the Edge and Low Risk areas. There was a fall of 18 per cent in Scotland but an increase of 6 per cent in Wales. The number of herds not officially TB free fell by 8 per cent in England with falls of 11 per cent in the High Risk area and 5 per cent in the Low Risk area but an increase of 1 per cent in the Edge area. There was a fall of 21 per cent in Scotland but a rise of 5 per cent in Wales.
- 4 During February, UK prime cattle slaughterings rose by 6.6 per cent, compared to a year earlier, to 173,000 head; beef and veal production rose by 6.5 per cent to 77,000 tonnes; sheep slaughterings rose by 1.6 per cent to 909,000 head; mutton and lamb production rose by 0.9 per cent to 22,000 tonnes; pig slaughterings fell by 1.4 per cent to 766,000 head; and pigmeat production rose by 0.8 per cent to 72,000 tonnes.
- 5 The Agricultural Price Index for livestock for January shows increases of 5.6 per cent for cattle and calves, compared to a year earlier, 5 per cent for pigs, 20 per cent for sheep and lambs and 11.2 per cent for eggs but falls of 2.7 per cent for poultry and 23.8 per cent for milk. Compared to December, there were increases of 1.9 per cent for cattle and calves and 5.8 per cent for sheep and lambs but falls of 1.2 per cent for pigs, 1 per cent for poultry and 0.4 per cent for milk.
- 6 Arla is to invest £179 millions in its Taw Valley Creamery in Devon to create a global mozzarella business.
- 7 During January, average butterfat was unchanged at 4.32 per cent, compared to a year ago, but was down 1.6 per cent on December. Average protein increased by 1.6 per cent to 3.45 per cent but fell 0.1 per cent compared to December.

- 8 Arla has increased its conventional manufacturing milk price by 0.88ppl to 40.066ppl.
- 9 Muller has increased its price by 1ppl to 37.5ppl.
- 10 During January, milk available to processors was 1,168 million litres, up 1.6 per cent on December; liquid milk production rose by 2.8 per cent to 516 million litres; cheese production remained unchanged at 41,700 tonnes; butter production rose 26 per cent to 17,300 tonnes; and milk powder production fell by 18 per cent to 6,300 tonnes.
- 11 Defra has announced new measures whereby all bird keepers, regardless of the size of their flock, must officially register their birds.
- 12 During February, UK commercial layer chick placings rose by 30 per cent, compared to a year earlier, to 3.2 million chicks; broiler chick placings fell by 1.2 per cent to 90.8 million chicks; turkey chick placings fell by 4.6 per cent to 500,000 chicks; turkey slaughterings rose by 19 per cent to 600,000 birds; broiler slaughterings rose by 2.1 per cent to 88.4 million birds; and total poultry meat production rose by 2.6 per cent to 155,700 tonnes.
- 13 Lidl is to reduce the stocking density of its own-label fresh chickens to a maximum of 30kg/sq metre, 20 per cent above the industry standard.

## VIII Inputs/Supply businesses

- 1 Data on soil nutrient balances in the UK in 2022 has been published:
  - Estimates show that the nitrogen balance was a surplus of 79.1kg/ha of managed agricultural land, down 14.5 per cent on 2021 and 27 per cent down on 2000.
  - Estimates show that the phosphorus balance was a surplus of 2.8kg/ha, down 51.7 per cent on 2021 and down 71 per cent compared to 2,000. Both estimates were the lowest since records began in 2000 as a result of record low inputs from inorganic fertilizers.
- 2 The Agricultural Price Index for inputs for January shows increases of 5.6 per cent for chemicals, compared to a year earlier, 1.3 per cent for veterinary services and 9.2 per cent for equipment maintenance but falls of 2 per cent for seeds, 16.6 per cent for energy and lubricants, 39.2 per cent for fertilizers, 14.7 per cent for animal feedingstuffs and 1.6 per cent for buildings maintenance. Compared to December, there were increases of 1.6 per cent for fertilizers, 0.2 per cent for veterinary services and 1.7 per cent for equipment maintenance but falls of 0.4 per cent for seeds, 0.8 per cent for energy and lubricants, 0.8 per cent for chemicals, 0.4 per cent for animal feedingstuffs and 0.2 per cent for buildings maintenance.
- 3 Yara is to invest £7 millions to upgrade its liquid fertilizer terminal at Chedburgh in East Anglia.
- 4 A new report from Agri-TechE, 'Precision spraying and biologicals – driving collaboration', finds that the adoption of biological crop protection is being delayed by a regulatory environment that has failed to keep abreast of innovations that would make these products easier and more effective to use.
- 5 A new edition of 'Successful vine growing', a guide to tackling pests and diseases, has been published by Certis Belchim.

## IX Marketing

- 1 Grocery price inflation in January was 6.8 per cent, down from 6.9 per cent in December. Take-home grocery sales grew by 2.9 per cent with items on offer accounting for 27 per cent of all sales compared to 32 per cent in December.
- 2 Lidl grew grocery sales by 11.9 per cent in January, making it the fastest-growing grocer for the fifth month in a row and increasing its market share to 7.5 per cent.

- 3 Government departments UK-wide have published a consultation document seeking views on food labelling. Areas covered include:
  - Improving consumer understanding of the origin of certain foods.
  - Information about the production system in which animals were reared.
 The consultation closes on 7 May.
- 4 Aldi has reported a 57 per cent reduction in food waste as a percentage of total food sales, achieving its 2030 target 8 years early.
- 5 In the period July to January, wheat exports fell by 78 per cent to 165,700 tonnes while imports rose by 55 per cent to 1.25Mt. Barley exports fell by 27 per cent to 484,700 tonnes while imports doubled to 99,000 tonnes. Oats exports fell by 28 per cent to 84,300 tonnes but are still 46 per cent up on the 5-year average. Maize imports are up 11 per cent at 1.55Mt and are up 3 per cent on the 5-year average.
- 6 The AHDB has won the Trade Association Forum Marketing Campaign of the Year for its Eat Like a Lioness campaign.
- 7 UK sheep meat imports fell by 11 per cent in 2023. Imports from New Zealand fell by 19 per cent to 26,500 tonnes with only fresh/chilled legs seeing a growth of 850 tonnes to 13 per cent of imports. Sheep meat from Australia grew by 18 per cent to 11,400 tonnes.
- 8 Morrisons has launched an Aldi and Lidl price-matching scheme.
- 9 Imports of pig meat in 2023 fell by 2.5 per cent to 781,600 tonnes with bacon falling by 10.2 per cent to 180,300 tonnes. Exports fell by 20 per cent to 298,300 tonnes with exports to the EU falling by 21.6 per cent and those to China falling by 11.4 per cent.
- 10 According to Kantar Usage panel, 53.1 per cent of meal-times feature meat, fish and poultry. 27.8 per cent of lunch and evening meal occasions feature red meat, up from 27.6 per cent a year ago, with consumers more likely to choose mince or cheaper cuts to use as a key ingredient rather than a primary cut.
- 11 During January, the UK imported 23,900 tonnes of beef, 29 per cent up on December and 34 per cent up on a year earlier. Exports totalled 8,900 tonnes, up 9 per cent on December and 5 per cent on a year earlier.
- 12 The Dairy Export Programme has been awarded additional funding of £1 million by the Government.
- 13 In the second week of February, M&S started selling asparagus spears from Cobrey Farms in the Wye Valley, the earliest ever. No artificial heat had been used in production.
- 14 While stonefruit sales grew by 1.6 per cent in 2023, volume sales fell by 7.6 per cent. Stonefruit is becoming less popular in the over-65 age bracket but has increased in the 55-64 bracket. Lidl, Waitrose and M&S all had sales greater than their overall share of the grocery market.
- 15 AHDB has increased its forecast of 2023/24 wheat imports to 2Mt, the highest level since 2020/21.
- 16 Ocado has joined the 'Buy British' online campaign.
- 17 Gower Salt Marsh Lamb has been granted Protected Designation of Origin Status.

## **X Miscellaneous**

- 1 The East Malling Trust has acquired Brogdale Farm, the home of the National Fruit Collection, the world's largest collection of fruit trees.

- 2 The Sustainable Farming Network has been launched by Morrisons in association with Harper Adams University's School of Sustainable Food and Farming.
- 3 Plumpton College has been awarded the Queen's Anniversary Prize for its work in wine education and its impact on the English and Welsh wine sector.
- 4 Defra statistics show:
  - 580,000 rural households were in fuel poverty in 2022.
  - Fuel poverty in rural areas is above average in Cumbria, Yorkshire, Durham, Lincolnshire, the East Anglian coast, along the Welsh border and in north-west Devon.
  - Fuel poor rural households would need additional income of £677 to take them out of fuel poverty.
  - 320,000 rural households living in the least energy efficient homes saw the depth of their fuel poverty double between 2020 and 2022.
  - Over 10 per cent of rural homes are heated with oil compared with 0.4 per cent in urban areas.
  - Over 25 per cent of rural homes cannot access gas. This rises to over 50 per cent in Eden and Mid-Suffolk.
- 5 Tom Bradshaw has been elected as President of the NFU with David Exwood as Deputy President and Rachel Hallos as Vice-President.
- 6 Will Quince MP has been appointed as an independent adviser to improve procurement in the public sector.
- 7 Mario Steta, Operations Director EMEA for Driscolls, has been appointed chairman of the International Blueberry Association.

## Postscripts

If lawyers are disbarred and priests are defrocked, then:

- Electricians are delighted
- Corpses are decrypted
- Cowboys are deranged
- Models are deposed
- Underwear models are debriefed
- Dry cleaners are depressed, decreased and depleted
- Jilted women are debrided
- HVAC technicians are deducted
- Tennis linesmen are defaulted
- Florists are deflowered
- Students are detested
- Hostels are debunked
- Spies are debugged and detailed
- Corporations are deformed and delimited
- Celibate people are delayed
- Chauffers are derided
- Record keepers are described
- Plumbers are dethroned
- Clerks are defiled
- Traffic cops are defined
- Naturists are denuded
- Election officials are devoted
- Accountants are decertified
- Builders are deconstructed
- Confused people are demystified
- Intelligence officials are declassified
- Interpreters for the deaf are designed
- Road builders are degraded
- Waiters are deserved
- Horses put out to stud are desired
- Castles are demoted
- Organ donors are delivered
- Anything certain is depending
- And if you found this funny, you're probably demented, defective and in denial!

# Monthly Farming Update

## Relief for Relief!

At last some clarity has been introduced into the taxation implications of the Government's policy of encouraging farmers and land managers to commit land for the benefit of the environment.

In March 2023, the Government issued a call for evidence and consultation exploring elements of the tax treatment of environmental land management and ecosystem service markets. The consultation closed in June 2023 and the view of the Government has now been published.

- The Government will establish a joint HM Treasury and HM Revenue & Customs working group, with industry representatives, to clarify the tax treatment of the production and sale of ecosystem service credits and associated units.
- The existing scope of Agricultural Property Relief (APR) will be extended to environmental land management from 6 April 2025.
- APR will be available where there is an agreement in place for an environmental management scheme on or after 6 March 2024.
- If a scheme comes to an end, APR will be available if the land continues to be managed in a way consistent with the scheme.
- The environmentally managed land must have been agricultural land for at least 2 years immediately prior to the land use change.
- Buildings, including farmhouses, will qualify for APR if used in connection with environmental land.
- Land registered and validated to the Woodland Carbon and Peatland Codes to generate units for use or sale will qualify for Business Property Relief and will not be considered as an investment activity.
- There will be no change to the time period for tenanted land to qualify for APR despite a call for only land subject to a tenancy of longer than 8 years being qualifying land.

This still leaves uncertainty over the taxation treatment of matters such as the sale of Biodiversity Net Gains but a start has been made.

We welcome feedback on the MFU.

Does this issue raise any questions in your mind?

Would you like more information on a particular item?

Please ring one of our agricultural specialists:

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If you would like to add a friend or colleague's name to the mailing list please contact Lindsay Glead

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



**CHAVEREYS**