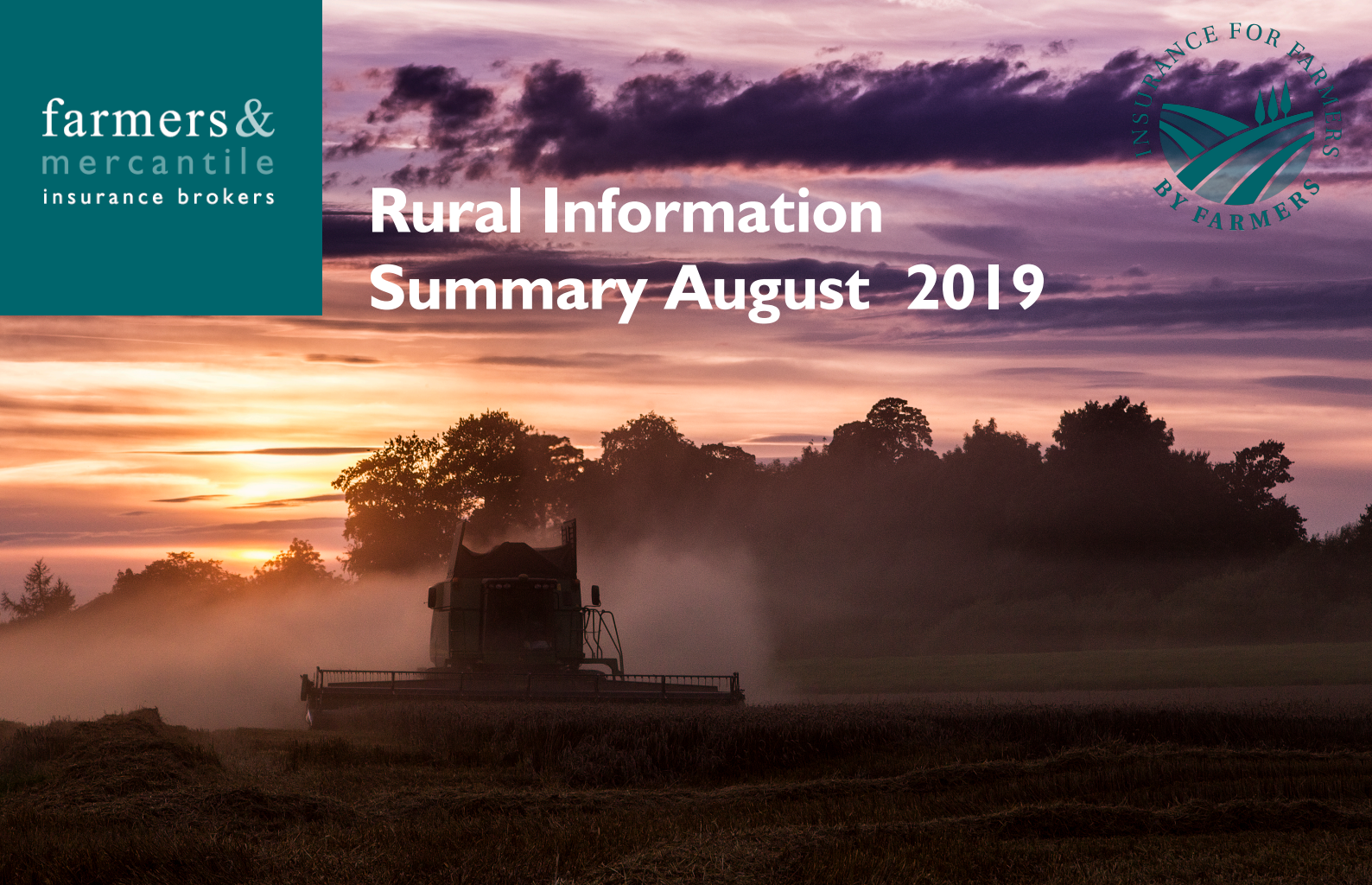


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Rural Information Summary August 2019



ARABLE | LIVESTOCK | MOTOR | ENVIRONMENTAL | DIVERSIFICATION | SMALLHOLDERS

Pig

Pig prices have continued to lack direction during August, but are still 4p above last year's prices at this time. The demand for pork is slow, particularly from a retail perspective. Processed pig meat products such as pork pies and sausage rolls have experienced a decline in sales, which may be due to poor weather this summer.

Source – AHDB Pork

Cattle

Cattle prices have hit a 5 year low, with other costs such as feed and fertiliser continuing to rise. Retailers play a large role in the consumption and procurement of products, with the impact of the supermarket shopping having left British beef farmers and local butchers struggling to compete in the battle of convenience vs. quality.

Source - AHDB Beef & Lamb

Prime Cattle



Please contact us at your convenience to discuss your requirements

Lamb

Lamb prices rose at the start of August but have since declined throughout the month. Comparing to previous years, prices in general are good. The sales of lamb products such as chops and steaks have declined by 4% over 2019.

Source – AHDB Beef & Lamb

Prime New Season Lambs



Arable

The heavy rain throughout August has created very challenging conditions for many farmers across the UK, with a particularly slow Harvest in Scotland. The warm and dry period over the bank holiday weekend helped many farmers make further progress with Harvest. Good yields have been reported across the UK, despite volatile weather throughout the year.

Oilseed rape prices have continued to hold. Many areas in the South of the UK are experiencing severe crop destruction from flea beetles. This will be a crop to watch closely over the coming years.

Feed wheat and barley prices will remain under pressure throughout the remainder of the year, although predictions hope it will be possible to achieve around £138/t for wheat in March 2020.

Arable Crops (£ per tonne)	A year ago	August 2019	Change
Feed Peas	175	198	↑
Oilseed Rape	300	322	↑
Feed Barley	139	119	↓
Milling Wheat	175	145	↓
Feed Wheat	162	130	↓
Hay & Straw	92	50	↓
Broad Beans	£1.42£/kg	1.13£/kg	↓
Milk Prices (per litre)	26.7600ppl	28.09ppl	↑

Source – Bidwells

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The reality of Agriculture and Farming in the UK

At present, only 17% of the British population live in a rural community. However, 70% of all land in the UK is farmed in some way and it helps to support over 142,000 farming businesses. This is more than the total number of businesses involved in motor trade, education, finance and insurance.

British farming provides 60% of all the food eaten in the UK, along with 64% of all farm businesses in England also running other enterprises in addition to farming. These enterprises alone generated an income of £630 million to the UK economy in 2017.

Recently British farming has faced increasing challenges, such as the push for sustainable farming, rise in veganism, gradual banning of chemicals/pesticides, proposal of meat tax and a lack of support for local produce.

The income of farming businesses varies greatly with 14% of UK farms failing to make a positive income for 2017/2018 and only a third of farms having an income of over £50,000. The total income from farming fell by £929 million (-17%) to £4,697 million between 2017 & 2018, in current price terms.

The reality of British agriculture and farming is very challenging, with low incomes, high taxation and a revenue source very much dependent on the weather. Throughout the course of 2019 these challenges have worsened and Brexit holds much uncertainty about the future of many farming businesses.

Source – Parliament street research paper

The UK Dairy Industry

The dairy industry is the single largest agricultural sector in the UK and is valued at £3.8 billion. Annually UK dairy farmers produce £13.5 billion liters of milk, which accounts for around 17% of the UK agricultural production. There are currently 1.8 million dairy cows in the UK, which belong to 14,550 dairy farms, with around 2 million dairy calves being born in the UK every year.

A typical UK dairy farm does well on overhead costs, but spends considerably more on machinery than other agricultural sectors.

Commercial dairy cattle prices are up more than £200 compared to this time last year. For example commercial heifers averaged £1,502 in July 2019 and only averaged £1,300 in July 2018. This is likely caused by a shortage of available stock.

The dairy industry often faces a lot of negativity about its impact on environment, due to the amount of methane gas a dairy cow produces. However, over recent years there has been a 24% decline in greenhouse gases associated with milk production.

The UK produces and processes almost 7 billion liters of milk each year, which ends up on doorsteps, supermarket shelves and in restaurants or cafe's. The UK also has a very diverse cheese making sector which accounts for 3 billion more liters of milk, with cheese lovers enjoying 700 named British cheeses.

Source – Parliament Street, Farmers Weekly, BBC

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Chainsaws & Tree Work

Most farms will have a chainsaw, which may be used for cutting firewood, thinning woods and topping fence posts. Some farms and estates will have forestry operations taking place which use more complex machinery.

All work with trees is high risk and safe systems of work must be in place. No piece of forestry machinery, particularly chainsaws should be used without proper training and users should have a good understanding of the risks involved. All workers who use a chainsaw should have been trained and have received a certificate of competence or national competence award.

The basic chainsaw operator should have suitable personal protective equipment including;

- A helmet with a visor - To protect from falling objects and flying debris.
- Sound proofing earmuffs - Exposure to loud noise over long periods of time can cause lasting damage to the ear drum. Some chainsaws can produce as much noise pressure as some jet engines.
- Chainsaw gloves - Provide protection should your hands come in contact with a moving chain.
- Chainsaw trousers - These are vital as statistically your legs are most at risk of injury. It's important to buy the correct trousers that provide suitable protection dependent on your chainsaws speed, these are known as 0, 1, 2 and 3.

Chainsaws should be fully maintained before use, including fuel, lubricated with chain oil, and having chains regularly sharpened and correctly tightened.

Source - HSE, Farmers Journal

Slurry Lagoons

Slurry lagoons are one of the most dangerous areas on a farm.

The majority of farmers will be aware of the dangers faced by the gas produced by slurry. This gas is usually odourless and extremely toxic. The gas is heavier than air and will collect in poorly ventilated, enclosed spaces such as farm buildings, storage tanks, slurry pits and towers. Gas can be present for some time after being released from the slurry, so farmers should leave the area ventilated for at least 30 minutes before reentering the building or workplace. Exposure to slurry gasses can be fatal and only two breaths of the toxic gas can kill you.

Poorly fenced lagoons cause a increased likelihood of falling in and drowning. A further increase in fatalities as seen when a individual attempts to rescue an animal that's fallen in. It is recommended that lagoons are surrounded by wire mesh sheep fencing and two strands of barbed wire to prevent this.

If you are going to pump, disturb or mix slurry in anyway the appropriate precautions should be taken;

- Work should be done on a breezy day or with effective ventilation methods.
- Everyone on the farm should know what is being done and understand the potential dangers.
- Livestock should be moved out of slatted buildings or buildings incorporating slurry storage facilities.
- No one should enter a slurry tank or slurry storage system unless they are properly equipped, trained and competent.

Source - HSE, Farmers Weekly

Please contact us at your convenience to discuss your requirements

Exchange rates

Currency		This Morning	One Week ago	Fortnight ago	3 Months Ago	6 Months ago	One Year ago
€:£	£1 =	€1.093	€1.078	€1.084	€1.133	€1.150	€1.083
	€1=	0.904p	0.923p	0.923p	0.882p	0.868p	0.901p
\$.£	£1=	\$1.213	\$1.205	\$1.214	\$1.267	\$1.305	\$1.290
	\$1=	0.815p	0.829p	0.822p	0.789p	0.766p	0.780p

Exchange rate alterations over the last 6 years:

Year	€1=	£1=
2012	0.789p	€1.262
2013	0.859p	€1.163
2014	0.795p	€1.251
2015	0.733p	€1.378
2016	0.861p	€1.160
2017	0.923p	€1.108
2018	0.905p	€1.104

Source - OFX.com

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