

Rural Information Summary September 2019



Lamb

Lamb prices have continued their seasonal decline over the last few weeks, with prices staying around £175/kg. This price is roughly in line with last years, and above the 5 year average.

New Zealand continues to decrease its exports to the EU, which are down by 20% on this time last year. This has been caused by an increase in demand from China rather than a change in UK consumer habits. China currently has a high demand for red meat due to their own produce been effected by African Swine Flu.

(Source - AHDB Beef & Lamb)

Prime New Season Lambs



Please contact us at your convenience to discuss your requirements

Cattle

Cattle prices have continued to decline throughout September, with the average price standing at £2.24/kg. Typically, store cattle prices do fall in the autumn/early winter and the current prices follow this trend.

(Source – AHDB Beef & Lamb)

Prime Cattle



Dairy

Milk production has hit a 25 year high. A combination of good weather and strong grass growth has lead to high overall condition in cows, providing a lift in their usual summer production.

Forecasts for next year are varied but predict that production will be back down to levels seen in 2018.

(Source – AHDB Dairy)









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Arable

Peak harvesting conditions occurred at the end of August, allowing farms in the South of the condition to complete at this point. For farms across the Midlands, Northern England and Scotland, harvest continued throughout the beginning of September. Periods of intense heavy rain has stopped harvest in Scotland with large amounts of Spring Barley and Spring Oats remaining uncut.

Across the country yields have been reported to be above the five year average.

(Source – AHDB, EFRA, Farmers Weekly)

Arable Crops (£ per tonne)	A year ago	September 2019	Change
Feed Peas	180	170	
Oilseed Rape	303	326	
Feed Barley	157	112	
Milling Wheat	184	141	
Feed Wheat	172	126	
Hay & Straw	68	60	
Leeks	£1.48£/kg	1.19£/kg	
Milk Prices (per litre)	31.00ppl	28.50ppl	

New footpath scheme will help prevent cattle attacks.

A new scheme has been introduced by local council, aiming to reduce the number of fatal accidents involving walkers and livestock on public footpaths.

Farmers have no power to close footpaths or say where they run over their land. This often leads to walkers coming into contact with fields of cattle. Attacks on walkers by cattle have resulted in many serious incidents and deaths over recent years. In addition to the injury and fatality, many farmers face thousands of pounds in legal fees, fines and sometimes prison sentences as a result of the incidents.

However, a scheme by Cornwall Council hopes to change this by allowing farmers to place signs that show walkers a safer, alternative route. Cornwall has the highest density of cattle in the country, with Yorkshire and Devon not far behind. This year Cornwall has already seen 7 incidents, with 5 been being very serious.

Fields can often be remote and far away from the farm yard, meaning farmers are not usually aware of incidents, until they are reported to the local authority. Lack of risk assessments have cost farmers a lot of money in court cases, which have been picked up after cattle have attacked members of the public. When an incident is reported, the council advises the farmer to move cattle from the field where it happened to another, but this is not always possible.

Under the law, a farmer is supposed to take reasonable steps to ensure that a walker is safe when crossing a field. This can be done by not placing young bulls or young cows with calves in a field with a public footpath. Any cattle that have an aggressive nature or have previously been involved in an attack should also be avoided.

In 2013, two brothers were walking on a public footpath where cows were grazing with their calves in Bradford-on-Avon. They were both walking their dogs when they were attacked by a herd of Limousin cows. One of the brothers survived; with the other being trampled to death. The same cattle had been involved with 4 other incidents over the 5 years leading up to the incident. The Health & Safety Executive found that the farmer had not taken reasonable precautions to protect people from his cattle while using this public footpath. The farmer was given a 12 month prison sentence and ordered to pay £30,000.

(Source – HSE & Farmers Weekly)

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What effect would a “No Deal Brexit” have on farming in the UK?

With weeks to go, it's still unclear whether the UK will leave the EU with or without a deal on the 31st of October 2019. A no deal result leads to all agreements between the UK and EU ending, and the UK ceasing to be a member state.

It is suggested that the farming and food industry will be one of the most affected industries should a no deal arise. In mid September, project Yellowhammer was released by the government which outlined a series of reasonable worst case assumptions for the UK leaving the EU. Farming and food supply was discussed, with the main concerns being trade agreements, agricultural policy, foreign labour and regulation.

An 18% decline in profitability is estimated for the industry, which equates to around £850 million. With many farms already struggling to break even, the projected hit on profitability is likely to impact the industry hugely. Livestock farms are most at risk, particularly sheep farmers in Northern Ireland and Wales. Other farms types, such as fruit, vegetables, pigs and poultry could see modest increases in profitability as rivals like Danish bacon are faced with new import tariffs.

There are many different opinions on the possible outcomes of a no deal, with forecasts on the effects it will have on UK agriculture. One of the most extreme examples comes from Anderson Farm Consultants who suggested that a no deal Brexit is a greater challenge than BSE and the foot and mouth crisis. They proposed that the whole sheep industry in Northern Ireland could be wiped out. They argued that vet fees will increase significantly, along with a demand for veterinary staff to assist with border inspections. The dairy industry would be massively affected, especially in Northern Ireland, given its reliance on having its milk processed in the Republic of Ireland.

Another report from the Farmers Guardian says that half of UK farmers could go out of business if Britain crashes out of the EU on the 31st of October. The report suggests that 50% of farms could go under as the government would prioritise keeping food prices down for consumers ahead of protecting agricultural producers. The report also says that the EU and all the countries with which it has free trade agreements would immediately apply tariffs and non tariff barriers on good imports from the UK in the event of a no deal Brexit.

(Source – Strutt & Parker, Andersons, BBC)

Exchange rates

Currency		This Morning	One Week ago	Fortnight ago	3 Months Ago	6 Months ago	One Year ago
€:£	£1 =	€1.129	€1.130	€1.115	€1.115	€1.171	€1.151
	€1=	0.885p	0.884p	0.896p	0.896p	0.850p	0.890p
\$:£	£1=	\$1.235	\$1.247	\$1.234	\$1.268	\$1.324	\$1.310
	\$1=	0.809p	0.801p	0.810p	0.788p	0.766p	0.763p

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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