



## Coronavirus Impacts on Farm and Horticulture Businesses in England

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*This is the eighth and final report in a report series – for earlier insights please see visit [www.ruralbusinessresearch/publications](http://www.ruralbusinessresearch/publications) - "Latest Publications" - "Intelligence Report from the Regions"*

***From RBR's delivery of the Defra-funded Farm Business Survey for England***

### Major Food Supply Chains

Milk producers who supply milk processors and retailers such as Freshways, are watching the Covid-19 situation with concern. **These milk producers fear another geographically wide lockdown** that may result in them having to pour milk away if coffee shops and restaurants are forced to close once again.

### Farm Inputs

**Farmers who feed livestock by-products have experienced an inconsistent supply** both during and after lock down. One farmer who feeds bread waste was unable to get any bread waste during lock down due to retail shelves being empty as consumers' stockpiled food. This farmer has also had difficulties sourcing syrup from brewers due to reduced or no brewing taking place at some breweries.

### Horticulture

Following the temporary Covid-19 devastation on many horticultural businesses, with many throwing away plants in the early weeks and months of the Covid-19 outbreak and national lock down, the **summer period has led to strong demand**, which for some has rescued a potentially disastrous year. The warm summer weather has encouraged people to get out into their gardens, whilst the weather has stayed wet enough to keep perennial and shrub plants healthy for the late summer/autumn.

Many medium and larger horticulturalists reported that the **furlough scheme allowed them to stay in business**, as they were able to keep staff employed while undertaking the essential potting up and growing on themselves. This has allowed some to be in a strong position with plenty of plant stock ready for sale when restrictions were lifted and staff could be returned quickly to meet the sales demand.

### Arable

**Demand for potatoes picked up in August** due to the "Eat Out to Help Out" scheme, but overall demand was still poor with restaurants less busy on Thursday – Sunday. Prices for chipping potatoes at around £50-£60/tonne are approximately half of the price achieved last summer.

As with previous Covid-19 reports, **many arable farmers have been more affected by weather related aspects**. Following a mixed harvest across the country, with cereal

harvest finishing early in the East but with **disappointing cereal grain, bean, rape and straw yields**, producers are now starting to turn their attention to planning drilling, but against the uncertainty of Brexit/international trade outcomes and consequent potential impacts on grain prices. Despite reports of low yields locally there appears to be no shortages on the world market, yet demand and prices have been firm with early delivery requested on many contracts. Concerns over sugar beet virus and drilling cereal crops too early, the latter due to blackgrass issues, are also of concern to many arable producers.

## **Livestock**

**Autumn sheep sales have begun** with vendors allowed to go through the sale ring with their sheep providing they are wearing face masks. This came as a relief to sellers who were not keen on selling rams and breeding sheep without any representation. Several of the yearly sales are however, being changed or cancelled (e.g. Kelso Tup sale) and the Carlisle rare breed sale have limited the entries to limit the number of participants. Fortunately all classes of sheep remain a very good trade, contrary to many early predictions. Breeding mule ewe lambs have been averaging around £104/head. Although not directly Covid-19 related, anecdotally some farmers note that has happened because of very buoyant prime lamb prices, which in turn have held strong due to strong home demand for lamb and better cuts of meat. This has potentially resulted from consumers choosing to re-direct their travel, holiday and discretionary spend towards food consumption.

The **live streaming of sales continues to be well received by farmers** especially the older generation who are shielding or have greater concerns over Covid-19. It allows them to watch stock sold from their own home. Other farmers have found it interesting to watch other markets selling stock which are not in their local area. Farmers looking to purchase breeding rams via private sales are unable to do so in many cases.

One poultry farmer has sold a large number of his cull birds to the public due to the desire and move to 'producing one's own food' during the pandemic, receiving £2/bird in contrast to 5p/bird or less received in previous years when selling culls.

Looking ahead to lambing in the spring of 2021, reports of farmers planning to not use 'student lambers', due to Covid-19 concerns, have been reported.

## **Diversification**

Farm **holiday accommodation, campsites and bed and breakfast demand remains strong**, with farmers adapting to additional cleaning measures and test and trace requirements. It is thought that this together with the £10,000 government grant, will make up the shortfall from loss of income during lockdown.

Farms with their own processing and retail businesses which saw a huge increase in demand for their local products during lockdown, are still continuing to experience a significantly higher demand. Some farmers are so busy they are unable to spend time on management decisions, which would enable them to move forward in a more sustainable way.

## **Farm Business Management and Financial Operations**

There has been **praise for the Government's small business loans** of up to £50,000, released due to the Covid-19 crisis, with farmers noting it is increasingly difficult to apply for bank loans with higher interest rates, or an increased overdraft. These loans have been helpful for cash flow purposes, while some farmers have used the bounce back loan to buy machinery, and machinery dealers have seen sales soar as a result.

Farmers' books and accounts continue to be delayed at the accountant's house where home-working continues, thus books are not stored at the office. However, there is a knock on effect of this as accounts used for other purposes, such as the Farm Business Survey, need collecting from accountant's offices to adhere to Covid-19 safety measures employed by this accountant's firm.

**A number of farmer queries** are occurring about **stewardship options going forward**, and how they can understand the new ELMS scheme, with considerable confusion and concern being present in the farming community with respect to these options in the future.