



Intelligence from the Regions – October 2017

Status

Twice a year staff of the RBR provide up to the minute information from their Regions on what is happening on farms and local markets together with a summary of current attitudes and concerns. The website; <http://www.ruralbusinessresearch.co.uk> will carry the latest collated report. Comments are welcome as well as any queries; please contact the Editor; helen.mchoul@nottingham.ac.uk

This information is provided by RBR staff and every effort is made to check its accuracy and validity. It should be recognised that whilst some of the information is anecdotal, that is its value in giving a current and real insight into what is happening within the industry. As with all information it should be used with care and in context.

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Key Points

- Farmers realise there is the need to make their businesses more financially robust to weather the uncertainty of Brexit negotiations.
- Farmers are finding it increasingly difficult to plan ahead with little information about longer term support and EU trade relations post Brexit.
- The impact of Brexit on availability of EU labour is a great concern for the horticultural and dairy sector in particular.
- The weaker pound has resulted in improving output commodity prices in the short term.
- Incidences of cabbage stem flea beetle have been reported in winter oilseed rape crops in 2016/2017.
- Black grass continues to be an ongoing issue for arable farmers with alternative control measures being employed to address the infestations.
- Low spring rainfall allowed early crop establishment of spring sown crops but ultimately caused drought problems across all regions.
- Harvest began early but as a result of the notably wet summer, it became a long, drawn out process across much of England resulting in notable variation in both crop yields and quality.
- Straw price is expected to increase in value due to limitations of quantity and quality available in the market.
- Notably in the Northern regions and the Midlands, the protracted harvest period has had a negative impact on the planting and drilling of autumn sown crops which is likely to result in an increase in spring cropping for the 2018 harvest.
- Control of pest and disease issues are a continual worry for minor crop producers.
- Overall dairy producers have seen milk prices rise although there is a considerable amount of variability in the market.
- TB remains a significant problem on beef and dairy farms.
- Beef and sheep prices and trade in general have remained relatively strong throughout 2017.
- The basic payment exchange rate set in September with €1 = 0.89 will equate to an approximate increase of 5% on 2016 total support payments.
- The three crop rule and EFA requirements greatly influence cropping management with a notable move away from peas and beans for 2018.

Summary

❖ **Brexit**

- Farmers realise there is the need to make their businesses more financially robust to weather the uncertainty of Brexit negotiations and thus some farmers are looking at diversification / alternative income streams to mitigate expected falls to farm support payments.
- The challenge of recruiting staff from Eastern Europe continues to be a great concern, in particular for horticultural and dairy farmers.
- Further staff recruitment challenges include the pressure to increase pay rates to mitigate the lower value of the pound which has resulted from the exchange rate differences.
- Farmers are finding it increasingly difficult to plan ahead with little information about longer term support and trade rules after Brexit. Consequently, many farmers are delaying plans for change post Brexit and in part are relying on the extension of the current level of support for a further two years beyond the UK's departure from the EU, which is providing short term certainty.
- The weaker pound has resulted in improving output commodity prices in the short term, however imported machinery has become more expensive.
- Although there is belief that Brexit offers opportunities to create new markets, many farmers are concerned about continued uncertainty regarding support, regulation and the impact of increased volatility resulting from global exposure to competition and prices.

❖ **Arable**

❖ **2017 Combinable Crops**

- In some regions, high infestations and consequential losses from cabbage stem flea beetle have been reported in winter oilseed rape crops in 2016/2017.
- Across England, concerns about low spring rainfall dominated conversations with farmers in April. However, spring cultivations and fertiliser and spray applications were generally completed in good conditions.
- The trend in recent years of "weather events" appears to continue, ranging from very hot days and droughts to prolonged periods of very heavy rain.
- In all regions, the 2017 harvest started as one of the earliest harvests in living memory, yet ended up as a long, protracted harvest due to wet weather in mid-July through to mid-August. The rain during harvest has resulted in significant drying costs for many farm businesses.
- In all regions, straw baling has been affected by the poor weather resulting in reduced straw quality for winter use and a potential straw shortage.
- On the whole, cereal yields and quality are extremely variable and thus good quality crops are generally attracting a reasonable premium.
- In several regions, there were large areas of crops still to be harvested in late September.
- The delays in harvest have consequently lead to delays in autumn cultivations and drilling of the 2018 crop. The variable weather into October continued to affect progress in certain areas with notable variation within regions and across England, resulting in an increase in spring crops in some areas.
- Early established cereal crops are reported to be benefitting from the warm and damp conditions and are looking well, however, later sown, slower growing wheats

on open seedbeds that have not been able to be rolled, are vulnerable to slug attack.

- Oilseed rape crops have generally established well however, possibly connected with early establishment, a greater incidence of cabbage stem flea beetle has been reported in the northern oilseed rape crops, in comparison to previous years.
- Blackgrass continues to be a problem across many regions notably the East Midlands and in the East of England. Approaches to blackgrass management vary considerably between farms including herbicides, a mixed cropping strategy including fallows, stale seedbed preparation and restricting vehicles on farm.

❖ **Sugar beet**

- In 2017/2018 sugar beet contracts were offered with a link to the sugar price in Europe, with the options of one year or three year contracts meeting with mixed opinions.
- The dry weather in late April and early May provided good conditions for cultivations and drilling, however, drought in spring was of particular concern in many sugar beet crops.
- Initial indications following an early start to the harvesting of the 2017/18 sugar beet crop are for a high yielding harvest, possibly as a result of the high summer rainfall, coupled with a high sugar content.

❖ **Potatoes**

- The dry weather in late April and early May provided good conditions for cultivations and allowed potatoes to be planted into good seedbeds; however it also caused some farmers to consider irrigation to aid germination.
- Potato yields have generally been very good across England, thus leading to a fall in price and a potential problem in terms of storage requirements.

- Concerns exist on the level of blighted tubers and other pests and diseases such as black leg and common scab and the associated keeping quality of crops in storage.

❖ **Horticulture**

- Pest and disease issues are a continual worry for minor crop producers, such as hop and cider apple growers. New pesticide registrations are limited and the range of pesticides available is reducing so growers use more of the same materials, possibly increasing risk of resistance.
- Harvest results for fruit in the South East are notably variable depending on the impact caused by frosts in April and hail damage in May.
- Gross apple yields have typically been very good.
- Soft fruit yields for 2017 are reported as good.
- The horticultural sector is heavily reliant on staff from the EU and thus there are increasing concerns about the supply of labour in the industry.
- The process of obtaining plant passports is becoming more onerous and additional labelling and record keeping are adding to the costs.

❖ **Forage**

- Due to the extreme and varying weather conditions, the impacts at local level have resulted in notable variation between the quality and quantity of forage made across England.
- The wet and mild September/October has seen a flush of autumn grass across much of England, and consequently stock have generally been housed later than normal.
- Forage maize yields have typically been above average.

- Livestock farmers are concerned about the potentially high straw prices predicted due to the lack of quality straw following the wet 2017 harvest.

❖ **Dairy**

- The EU funded Small Dairy Farmers Scheme for farms producing less than 1,000,000 litres was positively received.
- AD plants continue to inflate prices of animal feed as they compete for feedstocks and increase costs for dairy farmers.
- Milk price has generally seen an overall improvement since March 2017 although there is still a notable variability with aligned contracts seeing a higher return.
- The milk price rise has led to an increase in dairy cow values, with some producers taking this opportunity to exit the sector.
- TB remains a significant problem with a notable number of new reactor farms being observed.

❖ **Beef and Sheep**

❖ **Beef**

- Beef prices have been relatively static and generally strong.
- The strong trade for finished cattle continued into the autumn with insufficient numbers to meet the demand. The plentiful grass supply in late autumn has resulted in reduced pressure for producers to sell stores and thus supply of stores has reduced.
- The impact of the Dawn meats and Dunbia partnership was highlighted as a concern regarding competition and price due to the merger of two large organisations.
- The increase in the cereal price is a concern for intensive livestock producers.

- There remains concern that the continuing spread of bTB is affecting more and more beef farmers across the country and is spreading into areas previously unaffected.

❖ **Sheep**

- The dry conditions experienced in the spring and early summer provided excellent lambing conditions, and as a result, lambing percentages are reported to be on or above average.
- Lamb prices have varied notably across England depending on grass growth, which directly relates to lamb weight gain. This has consequently impacted on the balance in supply and demand of lambs at market.
- Cull ewe sales remained relatively strong.
- 2017 has seen increased flock sizes and the mild spring saw lower lamb deaths leading to increased lamb availability. Lamb prices have however held up, in part due to the exchange rate.
- Worm incidences in sheep have been high this summer as a result of the generally wet and mild conditions.
- Dog attacks continue to be a source of concern for some sheep farmers leading to financial loss, frustration and distress.

❖ **Pigs and Poultry**

❖ **Pigs**

- The pig trade continues to be affected by cheap European pig meat, despite exchange rate advantages.
- Farm gate sales are showing reasonable returns with consumers buying direct to ensure they know the traceability of the meat.
- Pig meat saw a rise in prices, but unfortunately the feed price also increased, thus reducing the resulting margins.

- A new TV campaign funded by AHDB to promote and improve perception of British pig meat was welcomed by pig producers.

❖ **Poultry**

- Wholesale price for eggs has reduced, with egg producers noting that supermarkets are squeezing their margins even further.
- Free range egg prices remained similar throughout the period at 89p/dozen.
- Some producers are actively planning ahead to phase out caged egg production by 2025, in line with the stated objectives of major UK retailers.
- In September several fast food chains announced that they are only stocking free range eggs.
- The avian flu outbreak has resulted in a poor market for old hens due to the collapse of the export trade. Cull birds were reported to be achieving very low or zero prices.
- The UK became bird flu free again during September.
- Increased feed prices in the broiler sector were noted to be putting further pressure on producers.
- The impact of trade deals and tariffs following Brexit is a notable concern for poultry producers.

❖ **Basic Payment Scheme (BPS) and Environmental Schemes**

- The basic payment exchange rate set in September with €1 = 0.89 will equate to an approximate increase of 5% on 2016 total support payments

- Delayed advice about the use of pesticides on Ecological Focus Areas (EFAs) was a matter of concern for most arable producers.
- Changes to the greening rules associated with growing pulses have led farmers to consider alternative options to meet their EFA requirements. Alternatives include hedgerows, fallow land and margins.
- The BPS 'three crop rule', has caused problems for farmers and contractors managing many crops on small Contract Farming Agreements (CFAs).
- The three crop rule has also been an issue with continuous wheat growers.
- Greening and EFA requirements have resulted in larger areas of spring grown crops.
- Increased areas of maize, fodder beet and whole crop rye for anaerobic digesters is anecdotally increasing, being observed as more profitable than traditional arable crop production.

❖ **Renewable energy**

- UK farmers would consider themselves well placed to provide the resources for carbon free energy production but request more government support and encouragement.

❖ **Organic**

- Organic farms in the East of England have seen reduced profitability recently. Although they are passionate about this method of farming they very much feel overlooked in the industry compared to other areas.
- Organic dairy farms have remained relatively optimistic in recent times due to the higher milk price that has been maintained for organic milk.

- Prime organic beef achieves a substantial differential in price (approx. 33%) in comparison to conventional.
- Post Brexit, organic producers would like to see further support awarded to protecting the environment and would like to have an input into policy making decisions.

❖ **Rents**

- In the South East, many land owners are keeping land with the intention of selling it for building development and thus reducing sale or rental agricultural land availability.
- Improved dairying prospects have fuelled demand for land in the South East, and land rents reflect this.

❖ **General**

- Land prices in the South East remain high with combinable land still being in high demand.
- Fly tipping is a serious problem for many farmers.
- Road safety issues associated with cycle clubs traveling at speed and in large groups, on evenings and weekends, with little awareness of farm machinery has been noted, with the potential for accidents being a concern to farmers.
- Older machinery continues to increase in value, due to increased demand.
- Availability of good Broadband connections remains a concern in rural communities.
- Farmers eagerly await for the result of the vote for the glyphosate license now scheduled for 9th November.

Brexit

Brexit is a key issue for farmers both in the short and long term.

Many farmers described how a lack of information about policy post Brexit from Government is a concern for their businesses. Comments, actions and concerns most frequently reported are summarised below:

- Farmers realise there is the need to make their businesses more financially robust to weather the uncertainty of Brexit negotiations
- The challenge of recruiting staff from Eastern Europe continues to be a great concern, in particular for Horticultural and Dairy farmers. Although farmers were sometimes able to recruit seasonal summer staff, the task of filling longer-term appointments was more difficult than previously experienced
- Linked to the staff recruitment challenge, pay rates have had to increase to mitigate some of the exchange rate differences
- Agency labour is generally still available, but the quality of staff was lower than in previous years
- Farmers are finding it increasingly difficult to plan ahead with little information about longer term support and trade after Brexit; many farmers are delaying plans for change post Brexit in part because the Conservative election manifesto pledged to extend the current level of support for a further two years beyond the UK's departure from the EU, providing short-term certainty, but lacking long term commitment
- Farmers are concerned about whether subsidies will be maintained to the same level post Brexit; one farmer is concerned that future support may differ substantially across England, Scotland, Wales and Northern Ireland and feels that future support will be increasingly linked to environmental issues, with no reduction in bureaucracy. Other farmers have noted the need for the UK Government to support home-grown food production.

- A hardy nursery stock grower commented that much of his stock and inputs are imported from the EU, and he fears that Brexit will delay delivery of time sensitive materials due to increased customs clearance/bureaucracy
- Some farmers are looking at diversification / alternative income streams to mitigate expected falls to farm support payments, however this is less feasible for many tenant farmers, giving rise to greater concerns about the potential reduction in support payments
- Farmers are concerned that post EU departure, levels of UK regulations will remain a burden. Farmers continue to explain how they want their views to be heard, for example via Defra fully engaging with the NFU and interacting with farmers directly
- The weaker pound has resulted in improving output commodity prices, however imported machinery has become more expensive

Overall, although some farmers still believe that Brexit offers opportunities to create new markets, and that the UK should be able to negotiate a good deal, many farmers were concerned about continued uncertainty regarding support and regulations and the impact of increased volatility due to global exposure to competition and prices.

Certain sectors, specifically poultry and pig, seemed less concerned about potential negative impacts resulting from Brexit, predominantly due to their businesses not being so reliant on financial support.

Arable

2017 Combinable Crops

Ahead of publication of the 2017 June Census, it was noted that in the East of England there had been a reduction in oilseed rape areas, as growers perceived it as a higher risk crop with lower returns than in previous years.

Although geographically restricted, in early summer some farmers in the East of England, East Midlands and in the South East experienced high infestations and consequential losses from cabbage stem flea beetle in their oilseed rape crops in 2016/2017. Furthermore, fears over bee numbers in early flowering oilseed rape crops were reported, which could lead to lower fertilisation and therefore decreased pod set. Localised reports of having to re-drill oilseed rape due to cabbage stem flea beetle damage were reported in East Yorkshire.

Concerns about low spring rainfall dominated conversations with farmers in April. One Norfolk farmer irrigated a greater area of cereals than in any previous year. Farmers seemed to be quite aware of their rainfall relative to neighbouring farms. Notably, some farms to the East of Norwich received rain on Easter Monday that was seen as saving them from very low yielding crops. The likely outcome is a wide range of yields based on this rainfall pattern.

Across England, spring work was largely completed in good conditions, but the lack of rainfall in some areas was a big worry for arable farmers with spring sown crops suffering from drought. Once established, spring cereals grew rapidly, but spring barley ears appeared to be unusually small.

In the North East, spring barley seed was in short supply with some farmers paying over £500/t. One farmer explained that they were planting the spring crop to try to reduce black grass on the farm.

Anecdotally, farmers mentioned a purported increase in climatic variability including droughts, the very wet June of 2016, hailstorms, and the impacts these can have on yields, which though severe are often very geographically limited. The trend in recent years of "weather events" seems to continue, ranging from very hot days to prolonged periods of very heavy rain.

Lodging of fields of barley after the early summer heavy rain, with inevitable consequences for quality, was reported in the East of England.

In the North East, the wet weather conditions during early summer caused incidences of yellow rust disease in wheat and barley crops that is feared will have a negative impact on yields.

In all regions, the 2017 harvest started as one of the earliest harvests in living memory, yet ended up as a long, protracted harvest for many across the whole of the country due to wet weather in mid-July through to mid-August which has also resulted in high drying costs.

In the South West the increased drying costs incurred in Cornwall and Devon, has led to some producers using alternative storage methods such as crimping, an approach that appeared to be planned on many farms.

In all regions, straw baling has been hampered by the weather and many have struggled to bale behind the combine leading to poorer quality straw for winter use and a potential shortage.

On the whole, cereal yields have generally been on the good side of reasonable, though quality is very variable; the exceptionally dry conditions in early summer have impacted on specific weights, particularly in second wheats and wet weather through harvest has adversely impacted milling quality. As a result, good quality samples, where they are found, are generally attracting a reasonable premium.

In the West Midlands however, farmers have reported generally disappointing yields across the region with the dry spring not enabling the plants to tiller. Some first wheat yields were reasonable; one farmer reported good yields for their high quality feed wheat making 2nd grade milling, but second wheats were very poor and spring barley yields were lower than in recent years.

Another farmer in the West Midlands commented that after a dry start the weather changed, and it continued to rain up to and during harvest, making harvest a prolonged and damp job with substantial drying costs. However quality is reasonable and yields are average, supported by better prices than last year.

The barley harvest started in July in Yorkshire due to good weather. However, as in other areas, the weather deteriorated later in the month leaving many farmers frustrated. One farmer reported higher than average sprouting in the malting barley crop due to the weather being warm and humid.

In the North East, barley yields have been reported as good, wheat average and oilseed rape good to average. However, due to a reduction in grain quality, wheat and barley that would normally go for milling/malting has been sold for feed leading to a fall in feed grain prices.

Vining pea harvest began at the end of June in Yorkshire. The high temperatures for early June led to crops maturing earlier and as a result many crops were not harvested.

In several regions, there were large areas of crops still to be harvested in late September.

The harvest across the North West region was also stop and start due to the poor weather. Salvage harvesting has been undertaken leading to significant drying costs; some crops still remain to be harvested at the end of October.

In summary, in relation to the harvest across England, yields and quality have been variable. With oilseed rape yields are generally being reported as above average across the whole country and spring crop yields notably variable; the exceptionally dry spring having resulted in total crop loss in some spring plantings in the South East.

With current prices for arable crops, some farmers are questioning the economic viability of combinable crop production, although wheat and oilseed rape are seen as more economically viable than other crops.

The delays in harvest have followed through into delays in autumn cultivations and drilling of the 2018 crop. The variable weather into October continues to hamper progress in certain areas, with farmers reporting up to 30% still to be drilled at mid-October. It is expected that an increase in spring cereals will be seen, partly as a result of not being able to get some winter crops established, but also due to a conscious move to spring crops as part of a cultural control strategy to tackle high black grass populations. Where planting has occurred, many farms will have a longer spread of crop growth stages than in previous years.

In the West Midlands, the late and difficult harvest has been compounded by a continuing wet autumn making establishment late on heavy ground in the region. By mid-October, most ground for winter cropping has been drilled although substantial capping has been seen in some areas.

The knock-on impact of delays in crop establishment included farmers not being able to drill cover crops or winter beans, resulting in difficulties in achieving farmers plans to meet their greening requirements.

Where crops are established, they are growing away fast in the mild damp conditions and early established crops have been reported to be looking well.

Later sown, slower growing wheats on open seed beds that have not been able to be rolled are vulnerable to slug attack. Several growers in the South East have reported greater slug activity and more use of pellets than in the previous year.

Oilseed rape crops have generally established well with adequate moisture. Spray days to control volunteer cereals and blackgrass have been limited which has resulted in more competition from these weeds and in some circumstances poorer control of black grass as a result of herbicide applications to larger, tillered plants. Pressure to use available weather windows to establish cereals has exacerbated this on some farms.

In the North East, sowing winter crops has been problematic with machines struggling to travel in places due to the wetter ground conditions, although oilseed rape sowing was completed by the end of August. Possibly connected with this early establishment, there has been a greater incidence of cabbage stem flea beetle in the northern oilseed rape crops than usual.

Farmers purchased Nitrogen earlier, and in greater quantities than in previous years, taking advantage of lower early season prices and leading to stock carry over for the 2018 season. As prices increased in the latter half of 2017, demand for Nitrogen fell and is not expected to increase until early 2018.

Blackgrass Control Strategies

Blackgrass continues to be a problem across many regions notably the East Midlands and in the East of England. Several farms experienced infection of ergot in their 2016 harvest wheat crop which has proven rather costly to treat and is impacting on sales; the presence of ergot suggests the presence of black grass.

Approaches to blackgrass management vary considerably between farms. Crop protection materials alone have not always worked, so farmers are now reverting to a mixed cropping strategy including fallows. Early reports are that this approach is reducing the blackgrass burden but with less wheat and oilseed rape grown on some farms profitability does seem to have suffered, or is non-existent in some cases. In the East of England some exceptionally serious blackgrass infestations in 2017 have been observed.

Control methods include:

- Not permitting third party vehicles on to the farm (one farmer was very upset that following a straw baling contractor operating on the farm for the first time in 2016 there was now a blackgrass problem)
- Pre-emergence and "stacking" sprays. This is expensive but it works and is keeping on top of the problem
- One farmer with combinable crops was planting a larger area of spring crops, to help contain black grass, but with limited success. However, they were happy with the spring crop's germination
- Where black grass has become very expensive to control, the lower yield from spring crops can in many cases now produce a higher gross margin by virtue of the lower input costs, albeit lower than winter cereal margins in the absence of blackgrass.
- There has been a notable resurgence of winter barley, particularly hybrid varieties, where the greater competitiveness relative to wheat means the crop can better compete with and smother out blackgrass populations.
- The autumn rain has stimulated plenty of black grass germination on stubbles, allowing good opportunities for stale seedbed preparation.

2017 Sugar Beet and Potatoes

Sugar beet

For the first time, 2017/2018 sugar beet contracts were offered with a link to the sugar price in Europe and with the option of one year or three year contracts; farmers have expressed mixed opinions about these contracts. This concern was compounded by a lack of information about the European sugar price and global sugar markets. Farmers found it difficult to quantify the impact that increases in the European price would have on the price that they are paid per tonne. Nevertheless, we observe that farmers are opting to return to sugar beet production or to increase their area of this crop as it is currently seen as the most viable break crop option in many systems.

The dry weather in late April and early May provided good conditions for cultivations and allowed sugar beet to be drilled into good seed beds.

However, as it was so dry in the spring, it was reported in Shropshire that farms were working hard to use all irrigation sources available to them as both root and cereal crops were showing visible signs of drought stress.

The drought in spring was of particular concern in terms of the slow emerging sugar beet crops which in some cases had been drilled for a month prior to emergence.

In the East Midlands, the sugar beet campaign has started early with the Newark site opening up for deliveries on September 14th. Early indications are for a bumper harvest with British Sugar basing its predictions on more than 500 test digs. Initial loads arriving on site are reported as averaging 16.5% sugar content and furthermore, within the region, early crops have been reported as yielding towards 60t/ha.

At the start of the sugar beet harvest, early lifted crops seem to have a good yield and sugar percentage. However, the dry spring and uneven germination has left harvesting a challenge in some crops. Where beet of different sizes are in the same row, under or over topping is unavoidable with the risk of increased losses or tares.

Further impact of EU sugar quotas abolished on 30/09/17 will be seen in the 2018/19 plantings.

Potatoes

In the East of England there is perceived to be an increased potato area, presumed to be a reaction to favourable prices for the 2016 crop.

The potato price in May was holding up well at £215/t, which was much improved on the previous year. One farmer who had 500 tonnes left in store from the previous cropping was optimistic with the potatoes keeping well and the price being good.

The dry weather in late April and early May provided good conditions for cultivations and allowed potatoes to be planted into good seed beds; however it also caused some farmers to consider irrigation to aid germination.

In East Lancashire good germination rates were experienced, however one producer was concerned about the lack of moisture in the soils and feared without rain the crops might suffer from drought.

Potato yields have generally been very good across England, with a resultant slump in market prices. Production over contracted tonnage is therefore attracting very low prices.

Concerns exist on the level of blighted tubers that have gone into store and there are doubts over the keeping quality of some crops. Exacerbating this is a shortage of boxed storage (due to high yields and shortage of boxes), meaning some growers are having to use on-floor storage, which will not help with the keeping quality issue. Buyers are tending therefore to take a wait and see approach before committing to purchase future requirements and, as of October, there is very little trade occurring.

In the east of the East Midlands, wet weather in September/October has delayed lifting and soils remaining sticky are hampering progress.

Issues with storage capacity due to high yields has been highlighted as a problem in the East Midlands, as has the concern over crops bulked late and thus causing incidence of 'Hollow Heart'.

Further pest and disease issues reported in the East Midlands and other regions due predominantly to weather conditions are slugs, blackleg and blight.

Higher than usual incidences of bacterial potato tuber diseases in the West Midlands have been noted. This is reportedly a result of conditions being dry around tuber initiation and so there have been more reports of common scab.

Black leg has also been reported in the West Midlands, which as well as damaging tubers in the field can cause infection in the store. To combat the problem and minimise tuber damage, good grading and storage ventilation to minimise condensation are strategies being used together.

Horticulture

The dry spring conditions were apparently ideal for glasshouse cucumber production. Cold nights have helped crop growth and dry weather has led to exceptionally low levels of pests and disease and reduced crop protection costs.

A horticultural grower commented that exports have increased due to preferable exchange rates and positively, despite concerns, recruitment of labour is not currently a problem.

Daffodils in Cornwall: planting early variety bulbs was relatively straight forward but there have been issues with the planting of the majority of later bulb varieties caused by the weather and the late cereal harvest. Normally growers would have planted more bulbs in August and September but it was just too wet as at least two good dry days in a row are necessary to plant. Some producers have one third to one half of their bulbs left to plant in October (unprecedented) and this is with planting in wetter conditions than they would like. This will have implications for future soil quality and flower quality.

A hop grower in the West Midlands reported a good crop this year.

It is expected that there will be an oversupply situation in the hop market soon because of over planting in the USA where new plantings in the last 3 years total about 15,000 acres. However, as most hops are forward contract sold several years ahead it was felt

that the industry was in a better position to withstand a potential reduction in price. The craft beer market continues to be very positive for UK hop growers, who tend to be growing for the niche market as opposed to the mainstream international brewers.

Pest and disease issues are a continual worry for hop growers because they are a very minor crop and new pesticide registrations are limited.

Top Fruit

Harvest results for fruit in the South East are mixed. Many parts of Kent and East Sussex were hit hard by frosts in April as well as hail damage which occurred into May. As always with fruit, it depends on the location of the orchards, some farmers having reported significantly more damage to their orchards than others. It is worth noting that due to the adverse weather earlier in the season there has been a relaxation of the rules of the size of fruit entered at the National Fruit Show held at Detling Kent in October 2017.

The British consumers prefer smaller apples, however due to the frost, there has been a notable trend of fewer, but larger apples being produced this year. Gross apple yields have typically been very good.

The top fruit labour is very dependent on workers moving from the soft fruit sector and there have been reports of workers hitting the UK tax threshold and heading home at that point. There are reports that this year's top fruit harvest has been picked late due to labour shortages.

Yields in the West Midlands appear to be very good, apart from early crops which had significant frost damage. Oversupply of apples for cider could be an issue again this harvest.

Prices have decreased for cider apples by at least 4% or £5/t and are set to stay at a lower level, meanwhile overheads may continue to rise.

A grower in the West Midlands commented that the oversupply situation regarding cider apples, is due not only to newly planted orchards but also an increase in production from existing orchards.

The mills are running at full capacity and it would seem that no manufacturer wants to invest in extra capacity when they can spread their processing throughout the year by encouraging the growth of fruit ciders. These do not have any legal requirement on the amount of tannin apples used (fruit ciders are made from some tannin apples and other juices available on the world market.)

The current success of fruit ciders is reducing the requirement for tannin apples and compounding the over supply problem, consequently this situation may lead to some orchards being grubbed up to balance the situation unless cider makers can sell more product.

As with hops, the range of pesticides available is reducing so growers use more of the same materials, possibly increasing risk of resistance.

Soft fruit

A soft fruit grower in the East of England was optimistic for a high yield in 2017.

As with top fruit growers, there are increasing concerns about the supply of labour. Some raspberry growers in-particular have experienced changes / shortages with their overseas labour force. Staff now remain in the UK for shorter periods of time and are more difficult to recruit.

Bedding plants and hardy nursery stock

Plugs bought in to grow on have done well this year. A garden centre in the East of England is looking to source more unusual plants to create further interest for their customers.

A plant producer, selling mainly to the public, explained how sales to younger customers had reduced, probably due to reduced household resources post Brexit. The business is driven by older customers, who are continuing to make garden purchases.

General feedback is that demand for stock has been high, with the fine weather early season stimulating plenty of early planting; the short heatwave in June stopped sales dead for a while.

Since the 'Brexit' referendum one producer in the South East reported sales having shrunk by about 20% through the two seasons, which is unusual, it is not certain if there is a causal link. They plan to continue as before into 2018, although taking care to avoid overproduction.

Banks have been supportive and have extended business overdrafts this spring, on the strength of good business track record and strong equity from high land values.

There is a view that the peat policy seems flawed when peat bogs can be closed down for peat production in England (Cumbria) but peat can still be imported from Scotland or overseas. If the use and production of peat is to be limited, some growers would prefer to see its supply restricted to professional growers who will use it prudently as a valuable growing medium rather than sold to private gardeners who will use it much more freely and less beneficially.

A producer explained that there seems to be over production in some commodity lines causing downward pressure on the prices that can be charged, however they are approaching the future with optimism.

Plant health issues remain a concern with Xylella, Xanthomonas and now Japanese Beetle marching across Italy and other European countries.

Some South East growers believe that concerns regarding notifiable pests and diseases are causing retailers to look harder at home grown crops when sourcing their plants and are hopeful that this will give higher desirability to their crops.

The process of obtaining plant passports is becoming more onerous and additional labelling and record keeping are adding to the costs.

As with much of the horticultural industry, this sector is reliant on staff from the EU. Growers would argue that these staff do not necessarily fall into the government's "non-skilled" category. Many growers do not agree that there is a pool of UK nationals

eager to work in agriculture/horticulture.

Forage/bedding

In the South West, several farms started silaging very early in April on part of their area and then the remainder later. This then meant they had two blocks throughout the year, and so more was ultimately baled.

However, the wet summer weather in the South West has made grazing difficult and supplementary feeding started earlier than planned in August and September, with some farmers housing earlier.

In summary, in the South West, a very dry spring and early summer turned into a very wet summer and September. Much of the rain was localised and so there is variation between the qualities of forage made.

In the West Midlands, a farmer in Shropshire reported that he had experienced one of the driest starts to summer seen for many years with hill farms reporting that streams were drying up prematurely and thus restricting grass growth in the spring.

One Shropshire producer commented that for them grass growth has been steady all season with the dry hot spring slowing growth, but they were lucky in their area receiving some rain when needed.

The wet weather that followed in late summer was most definitely needed in the West Midlands although this caused issues regarding a clean dry harvest.

In both the North East and the North West, the spring weather was unusually warm and dry; as a result, grass growth had a good start to the year and continued throughout the summer – so while there has been plenty of fodder, the opportunities to conserve grass were few and far between, with 58% more rain than normal in some areas. Silage, where made, is of varying quality, and hay has been almost impossible to make this year.

July weather in the North was hit and miss with prolonged rain showers preventing farmers getting their second cut and in some cases, their first. One farmer who had taken first cut silage in May was desperate to get the next cut as the grass was getting stronger and the quality was getting worse.

One farmer in the North who had wrapped round bales wetter than they would have liked described them as going flat when they had been stacked and explained that they would be very difficult to feed in the winter months.

In the North East, the wet weather continued into August with some farmers deciding enough was enough and housing cows. One South Yorkshire farmer said cows were just standing, not grazing and were poaching gateways so they decided to bring them in. They went on to full winter ration but the farmer was unsure if there would be enough silage to last through the winter with no third cut having been made.

Farmers were dismayed with the weather forecasters during September; one Yorkshire farmer thought the forecast was set fine for three days, sufficient time for taking a third cut. Unfortunately it rained after the crop was mown and it took a full week to get in. Trailers were running three quarters full to avoid making big ruts in the field and it was a full time job keeping the roads around the farm clean to prevent accidents.

In the North, October saw a few dry days allowing some hill farmers to get a second cut. One farmer baled on the 6th of October which was by no means the latest they had harvested but later than usual. Fields were described as just passable with machinery able to travel, but causing land damage.

A similar pattern followed in the North West whereby the dry weather during April allowed some extensive Cheshire grazing herds to turn cows out. Grass growth was mixed with some reporting drought conditions whilst others had good amounts of grass.

Maize planting got underway in the North West with some reporting ideal cultivating conditions and the seed going in very well, whilst others noted dry challenging conditions for establishment.

Good grass growth in early May saw grass getting away from some herds. One farmer said cows were not keeping up with the rapidly growing grass, leaving pastures with long fibrous grass, leading to fields being shut up for forage production.

In the South East, forage stocks are high going into the winter. The near perfect hay making weather earlier in the season means there is plenty of good quality hay around, keeping prices from rising.

The wet and mild September/October has seen a very good flush of autumn grass across much of England and stock have generally been housed later than average in the East and Southern regions, with some dairy herds still out at mid-October.

In the South West, maize harvesting was relatively early, with many crops now harvested, particularly those planted under plastic. In previous years, many crops were not harvested until late October/ November.

Forage maize yields have typically been above average with a number of growers citing a shortage of available clamp space following bumper crops.

Livestock farmers are concerned about the potentially high straw prices. Supplies of quality straw are short following the wet harvest resulting in increased amounts being chopped, coupled with concerns that burning of straw in power stations is also inflating the price.

Straw yields in the West Midlands are reported as notably lower, putting an upward pressure on price as demand outweighs availability.

A farmer in the West Midlands commented that they are only bringing cattle in as and when needed and they are supplementary feeding with crimped corn whilst cattle are out in the field, thus reducing bedding use with straw being in short supply.

In Herefordshire the wet weather has impacted on straw supplies, with one farmer reporting the need to import straw into the county from the East.

Livestock farmers in the South East with arable crops have generally retained sufficient stocks for their own use, thus increasing pressure on straw prices to increase.

In the Northern regions, straw prices continued to be high at the regions markets with barley straw regularly attaining over £80/t and reports of straw prices exceeding hay prices.

In the North West, a number of farms were struggling to get straw baled due to wet weather. One farmer whose business relied on straw sales to the horse market was struggling to get it baled dry.

Dairy

Dairy farmers welcomed the announcement of the EU funded Small Dairy Farmers Scheme for farms producing less than 1,000,000 litres. Although it has been highlighted that some felt it could have been given more publicity.

A dairy farmer in an arable area who was previously able to source cost effective feeds now finds that these (including vegetable waste and brewers grains) are no longer affordable due to the demand from AD plants.

As observed in previous years, at least one dairy farm in the East of England has found a good market for surplus in-calf-heifers which were going west to buyers who were pleased to get them from a TB free area.

Milk price has seen continued volatility, but the majority of producers have typically seen an overall improvement in milk price since March 2017 which has been extremely welcome and much needed.

There remains a considerable amount of variability in the market depending on who the farmer is supplying. Notably bonus incentivised milk prices with aligned contracts receiving higher prices.

Dairy farmers are feeling more confident due to the price increase, however, it will take time to make up for their previous lack of investment and many farmers are still facing cash flow problems.

The milk price rise has led to an increase in dairy cow values, with some producers taking this opportunity to exit the sector.

World demand seems to be growing for milk, a contributory factor being China growing its imports. Butter sales have also improved as health impacts have been found to be less severe and rumours have suggested there may even be a shortage of butter by Christmas. Despite this, high world butter prices are now easing.

In the South West, a Cornish cream retailer is now direct buying in Cornwall and thereby giving another market to producers; they also appear to be moving into the liquid milk market.

Thus far, input costs do not appear to have followed milk price up, but it is understood good global harvests and low oil prices have helped contain production costs.

In the South West, TB issues have meant some farms have dropped production and then had their profile adjusted, ending up with a lower profile than they would have had pre TB. Thus, when they have gone back to full production they have been penalised for being over profile.

In several regions, notably the South West, East and West Midlands, many cattle farms are struggling with TB, with an increased number of new reactor farms being observed. As a result of the large numbers of reactor cows being slaughtered and dairy farms becoming overwhelmed with dairy calves, due to movement restrictions, they are unable to sell calves at their true value on the open market.

In the North East, newly calved heifers in the region remained at a strong price with the best heifers achieving over £1800/head. There were however heifers achieving £1200-£1400/head. Similarly in the North West, newly calved heifer prices continue to show a huge range with the best over £1900 per head whilst the third quality ones were around £1000/head; there have been reports of farmers on aligned contracts willing to pay higher prices for heifers than those on non-aligned contracts.

In the North East, cull cow prices in May remained similar to the previous month with best Holsteins making over £1000/head.

Some cows were housed in the North East during August due to the horrendous weather but milk yields fell dramatically which left one producer under their stated production forecast. It was hoped that the milk buyer would show leniency because of the extreme weather and not penalise them as the penalty could be up to 0.6p/litre.

Beef and Sheep

Across all livestock there were reports of varying impact from the Schmallenberg virus; from no impact, to a number of animals giving birth to de-formed young. On a regional basis the impact has not been significant due to the variability of incidences, with it affecting few herds and flocks.

Beef

Beef prices have been relatively static which is significant considering the fluctuations that can be seen in this enterprise.

Store cattle prices have remained strong through early spring, easing off into summer. First autumn sales have been higher than last year at around £1025/head for good cattle – as always, if there is grass to be eaten, cattle will be bought to eat it.

In the North East, fat cattle price continued to be a good trade during May with best continental heifers and steers over 210p/kg liveweight. The heaviest cattle were grossing over £1400/head.

Traditional breeds such as Herefords and Angus were a good trade in the fat markets in the North East during May and whilst they were not making as much as continentals they were regularly over £1100/head. Beef breeding bulls were noted to be in strong demand, with enquires from dairy farmers coming on the back of higher prices for finished and store cattle.

In the North West, fat cattle trade continued to be strong during June with some markets reporting the best trade since Christmas. Steers were averaging 209 p/kg liveweight in the regions markets. The best cattle destined for butchers and farm shops were grossing over £1300/head.

The spring store sales saw more cows with calves at foot coming into the regions markets.

Store cattle continued to be a strong trade throughout the period for the better quality stock. The lower end proved more difficult to sell.

Dawn meats and Dunbia announced the completion of their partnership in September. Some direct suppliers were concerned about how this would affect competition and prices with two big players working together. One Yorkshire fattener decided to try the livestock market again and move away from dead weight selling.

A farmer in the West Midlands commented that finished beef prices went up slightly in late August and early September, but have now fallen back.

Across the regions, there is a strong trade for finished cattle this autumn with insufficient numbers forward for the number of buyers.

Across England, the plentiful grass supply in late autumn means producers are not rushing to sell stores, and producers that are keen to buy in stock to mop up surplus grass are finding limited numbers of cattle available.

A major South West abattoir is no longer deducting 10p/kg for dairy bred animals in an effort to attract numbers as supplies tightened. To reward the cattle they need most they have introduced a 5p/kg bonus for steers and heifers weighing between 280kg and 350kg 0+ grade and better, with a 3 or 4L fat cover. The harsh penalty on heavy cattle has been eased by capping at 420kg (not 400kg) with a 5p/kg deduction for weights between 400-420kg. As supplies of cattle fell, young bulls have been regularly purchased, however not in large loads from single producers.

In the South West, live finished cattle trading seems to be very limited (except Over Thirty Months).

The increase in the cereal price, whilst good for the grower, signalled bad news for the intensive finishers.

There remains concern that the continuing spread of bTB, is affecting more and more beef farmers in the South East.

In the West Midlands, TB continues to have a significant impact; farms have adjusted their systems to cope with movement restrictions and the related additional work involved with frequent testing.

Concerns continue to be aired over animal health restrictions and the need to address bTB within a sensible time frame. The impact of bTB outbreaks on individual business viability is substantial.

A badger cull was announced for Cheshire in September which would run to 2021. This was good news for the region's cattle farmers especially those who were currently suffering from TB restrictions. There was however much opposition to the cull from organisations such as Cheshire Wildlife Trust.

Several farmers in the West Midlands are experiencing more problems with lung worm in their cattle than usual.

The increased value of store animals is leading to an increased capital requirement for beef breeders and finishers. Some producers are selling cattle as stores rather than finishing the animals, while others are retaining animals longer in order to try to recoup the prices paid for store animals.

The closure of Chelford market in the North West was proving troublesome for some farmers leading to longer distances being travelled to sell stock.

Sheep

Lambing outside was more prevalent this year due to the dry conditions experienced in the West Midlands and East Midlands in spring and early summer, with some farmers aiming to use this approach in the future, freeing up barn space and possibly reducing the workload.

Similarly, in the North East, the spring of 2017 was unusually warm and dry; average temperatures being 28% above normal and rainfall being 18% less than the 30 year average and thus providing excellent lambing conditions. As a result, lambing rates are reported to be on or above average.

Lambs have taken longer to fatten this year, with poor grass after lambing in some regions, resulting in lamb prices in the West Midlands and East Midlands remaining higher for longer this season.

In the North East and the North West, the spring grass growth helped lamb growth and early finishers were well rewarded by the new season fat lamb prices. However, finished lamb prices have fallen dramatically since this peak and store lamb prices this autumn have been both poor and volatile.

Breeding sheep prices in the North East and the North West have generally been similar to last year, and slightly up in some cases. Mule ewe lamb prices have been up on average £2/head year on year with a typical average price of £101 per head (Lazonby, Kirkby Stephen and Hawes mart sales data).

Cull ewes continue to sell very well, both for slaughter and grazing ewes to run on, as there is plenty of grass available with the best ewes in the South East selling to £85 (Hobbs Parker Ashford date Sept 2017).

Early in the season (in April) lamb trade was strong in the North East with old season lambs averaging 198 p/kg liveweight.

More new season lambs were marketed during May with the best up to £126/head in the Northern markets.

Fewer old season lambs were being marketed in early June but those being sold were a good price. However, some farmers were questioning the viability of finishing late lambs, rather than selling as stores.

In the North East spring lambs started to enter the market during April with the best lambs reaching 246p/kg live-weight and grossing over £100/head. Sheep with lambs at foot attained strong prices.

Cull ewe price continued to be strong during June with strong mules up to £74/head.

In the South West, breeding ewe prices were higher at the start of the season when cull prices were high, but they have eased since then.

In the South West, Easter lamb prices were very slow, but then increased through early summer. Prices remained strong through the year, probably reflecting the strength of the pound.

Ewe numbers in the South West seem to be similar to last year and as there is plenty of grass about they should be in good condition to go to the ram.

2017 has seen increased flock numbers and the mild spring saw lower lamb deaths meaning more lamb availability although prices have held up in part due to the exchange rate.

In the South East, markets are currently on a seasonal decline of about 8p/kg below last year's price at this time. The trade for ewe lambs is back on last year in the South East with prices being down by approximately £5 per head.

At present, there is some positivity about the lamb trade although many express concerns for the future of the industry with the feeling that the demand for lamb itself in this country and in the Western world will decline as people move away from traditional meals. Some farmers report disappointment with non-British lamb being sold in UK supermarkets.

An increase in sheep theft had been noted on some farms in the West Midlands with farmers noting the importance of keeping good records of sheep to track potential losses due to this.

Notably, across wetter areas, worm incidences in sheep have also been high this summer as a result of the generally wet and mild conditions. Warm wet weather in early July also led to a large number of maggots being found on both lambs and sheep.

Dog attacks continue to be a source of concern for some sheep farmers leading to financial loss and emotional impacts.

Pigs and Poultry

Pigs

The economics of pig production are highly dependent on the price of store and finished pigs. In 2017 prices of both were higher. However, the pig trade continues to be affected by cheap European pig meat despite exchange rate advantages. In addition, a primary concern is the impact of potential free trade agreements with countries with lower welfare standards post Brexit, particularly with the US. UK producers would not be able to compete on price against such imports.

Farm gate sales are showing reasonable returns with consumers buying direct to ensure they know the traceability of the meat.

Fat pig prices increased during May and were up by 4p/kg deadweight to average 158p/kg. June fat pig prices increased by another 4p/kg deadweight compared to the previous month. However, this increase did not seem to carry through to the weaner trade. The increase in fat pig price steadied during August with prices only 1p/kg deadweight higher than the previous month at 165p. September saw the fat pig price fall for the first time in five months with a 2p/kg deadweight fall. There was a range however from the top to the bottom end of the market depending on pig breed and animal quality. Cull sows prices remained strong and regularly achieved over £100/head.

The better prices were welcomed by producers, but unfortunately the feed price also increased. Prices of soya based feeds sourced from South America were reported to have increased by 30 to 40 percent due to currency fluctuations after the Brexit decisions.

It was announced in September that Easey holdings was to be taken over by Danish firm Tulip Ltd. Whilst it was reported that no changes would be experienced by the regions suppliers to Easey's, there was concern that some changes would be inevitable.

A new TV campaign funded by AHDB was welcomed by pig producers. The aim of the campaign was to try to improve customer perception of pork and promote it as a healthy meat, with a view to increasing sales.

It had been reported in the press that thieves had stolen 178 pigs from a farm in Cheshire.

Poultry

Concern over the reduction of the wholesale price for eggs has been observed, with egg producers noting that supermarkets are pushing their margins very tightly now.

In the North West, the whole egg price fell by a further 2p/dozen to 52p for enriched cage produced eggs. Declines in caged egg prices were also reported. Free range egg prices remained similar throughout the period at 89p/dozen. This was a drop of 5-10p/dozen on the same time in the previous year. Egg price reductions were causing concern for producers who had expanded their business and have borrowings to repay.

Some producers are actively planning ahead to phase out caged egg production by 2025, in line with the stated objectives of major UK retailers.

September saw more fast food chains announce that they are only stocking free range eggs. This was good news for the free range farmers, with some viewing this as an opportunity to expand their free-range business.

An unforeseen consequence of the avian flu restrictions has been reported, where the hens have been housed 24/7 they have begun to lay eggs on the floor and not in the

nest boxes. This has resulted in the need to employ extra labour to collect all these floor eggs.

Furthermore, another free range egg producer reported that a consequence of the avian flu outbreak was a poor market for old hens due to the collapse of the export trade. Cull birds were reported to be achieving very low or zero prices.

The UK became bird flu free again during September; however producers across England continue to express concern over migratory birds bringing bird flu to the country this winter and the effect that might have on trade.

Increased feed prices in the broiler sector were noted to be squeezing margins given finished bird prices being paid by supermarkets.

Some poultry producers are concerned about the impact of trade deals and tariffs following Brexit.

The Two Sisters plant in The Midlands, featured recently in the National press and receiving media scrutiny for various food safety issues poses concerns that there could be repercussions for producers nationwide.

Basic Payment Scheme (BPS) and Ecological Focus Areas (EFAs)

BPS

The basic payment exchange rate was set in September with €1 = 0.894; this would see an approximate increase of 5% on 2016 total payments, which itself was almost 20% up on the previous year.

BPS: Pesticide use on Ecological Focus Areas (EFAs)

Delayed advice about the use of pesticides on EFAs was a matter of concern for most arable producers.

The concern arose because the majority of farmers used peas or beans to meet their EFA requirement in the early years of the BPS and thus they are now worried about the viability of these crops.

With the news that pulses are going to be harder to use for EFAs due to their viability, flowing from the restriction on use of plant protection products, there does seem to be more confidence now in using hedges to meet the 5 per cent EFA going forward. In addition, growers have generally welcomed the increased flexibility offered by the changes to the rules surrounding buffer strips, which sees many more grass margins now qualify as EFA. However, there was criticism from some that the ruling on this was provided too late for them to incorporate into their cropping plans.

Feedback also suggests that the use of margins and fallow land as EFA will be taken up by many in 2018 to replace beans and peas.

BPS: Three Crop Rule

Following the imposition of the BPS 'three crop rule', farmers and contractors have encountered practical difficulties of managing many crops on small Contract Farming Agreements (CFAs). For many, the solution has been to convert the arrangement into an FBT, and more examples this year were recorded.

The three crop rule has also been an issue with continuous wheat growers.

Current greening rules have resulted in larger areas of spring grown crops which will lengthen the harvest window and potentially have a negative impact on autumn establishment for the 2018 crop. However, this greater area of spring cropping means many farmers are growing more winter cover crops which are seen to have a positive impact on soil fertility and are helping to provide better soil structure to aid plant growth and drainage.

In the East Midlands, more spring cropping has been reported in part due to black grass control but this also helps with the three crop rule and EFA requirements. Also, the growing of maize, fodder beet and whole crop rye for anaerobic digesters is seemingly on the increase, being regarded as more profitable than traditional arable crops.

Renewable Energy

One of the larger anaerobic digester operators in the East of England is offering maize contracts for 2018 at £32.25 per tonne (at 32 per cent dry matter) with the grower to pay all costs (including harvesting), which could potentially see the crop move onto a similar basis to sugar beet.

A feeling has been expressed that renewable energy needs a great deal more encouragement from UK Government. If this was forthcoming, UK farmers would consider themselves well placed to provide the resources for carbon free energy production.

Agri-environment

There is a general lack of enthusiasm for the new Countryside Stewardship Schemes on medium and small size farms as farmers feel they have to invest a lot to apply to get into a scheme with no guaranteed entry and lower returns.

A farmer remarked that they were looking to take advantage of Higher Tier capital schemes to improve environment and water quality issues.

Some farmers have been reluctant to enter into the new Countryside Stewardship Scheme after their previous entry and/or Higher Level agreements ended due to the reduced financial benefit of membership and the complexity of the new scheme.

Prices for the wild flower mixes seem to be quite high and germination has been difficult this year. Furthermore, several farmers in the East of England have reported that they are struggling to establish floristically enhanced grassland mixes at large expense for seed.

A farmer commented that the policy of delaying hedge trimming in autumn is totally unproductive for them as most birds have nested and reared young. They considered it undesirable to encourage late nesting when few youngsters would survive the winter.

Furthermore, the delay in hedge trimming means it has to be undertaken at what is a very busy time when harvesting and planting of autumn crops is underway.

The timings of Environmental stewardship payments are changing and being apportioned 75% and 25%, rather than the current 50:50 split. This has been high-lighted as an area of concern as the 75% payment will be the winter payment, which from a cash flow point of view for LFA farms in particular would have been preferred as the 25% portion.

Farmers continue to struggle with the stewardship schemes administration, reporting communication challenges and delays alongside late payment.

There seems to be a positive future for policies encouraging environmental schemes. This may be good news but there is a worry amongst farmers that these environmental schemes will be at the expense of support for food production.

Organic

Organic farms in the East of England have seen reduced profitability recently. Although they are passionate about this method of farming they very much feel overlooked in the industry compared to other areas. Not all rules and regulations are perceived to fit with organic methods. For example, although an extension is given to organic producers before a temporary grass status changes to permanent grass, this is still not a sufficient period of time.

Organic dairy farms in the West Midlands have remained relatively optimistic in recent times due to the higher price that has been maintained for organic milk.

In the South West, organic dairy farms are concerned about possible limited supplies of organic concentrates and the impact on costs this winter, which may result in reduced yields.

Prime organic beef achieves a substantial differential in price (approx. 33%) in comparison to conventional; with conventional prices 4% higher than last year in the South West. However, store prices seem to have increased more than finished cattle and calf prices continue to remain strong.

For producers that stayed organic, when it was more profitable to return to conventional methods, there is now a worry that with higher prices available, too many former organic producers will return to organic production causing over supply in the market and pushing prices down.

Post Brexit, organic producers would like to see further support awarded to protecting the environment and organic farmers given input into policy making decisions.

Rents

When Farm Business Tenancies (FBTs) were introduced (in 1995), the theory was that farmers and land owners were free to develop flexible arrangements for calculation of rent. However in reality, most simply opted for a flat rate rent. One farmer has entered an FBT with a fixed minimum rent, with an uplift based on the wheat price beyond a minimum price per tonne.

In the South East, it is very difficult to buy/rent land for agricultural/horticultural use in the more developed regions, partly due to many land owners keeping land with the intention of selling it for building development and thus reducing availability.

Better dairying prospects have fuelled demand for land in the South East, and land rents reflect this. Significant rent increases have been seen in the year and new rental agreement rents are also noted as being high.

General

There is a notable rise in the South East of land being taken for housing developments. Building can regularly be seen throughout villages where previously there was an embargo on new developments. Many villages have undertaken a Neighbourhood Plan and several Local Authorities have made calls for sites for small developments, which is expected to take further good agricultural land.

Land prices in the South East remain high with combinable land still being in high demand.

Fly tipping is a serious problem for many farmers. They feel greater government action is needed to tackle this, either to safeguard them against the costs of being the victim of the crime, or for a change of policy on waste disposal, to reduce the incentive to dump waste illegally.

Another issue emerging in the field of road safety are cycle clubs traveling at speed and in big groups, on evenings and weekends, with little awareness of farm machinery. Farmers feel some training, or inclusion in TV road safety campaigns might be helpful.

Anecdotal news across England suggests that older machinery continues to increase in value, due to increased demand due in part to the perceived complexity of modern machinery.

In the West Midlands, anecdotal evidence in the region points to less work being available to contractors this year, with farmers taking on more of the work previously contracted out.

Availability of good Broadband connections remains a concern in rural communities, especially when the expectation is that more will need to be reported using online platforms.

There has been a low uptake of grant money made available through RDPE and LEADER – the Northumberland local action group has so far spent only £650,000 of its £1.9m budget; the scheme started in October 2015 and is due to end sometime in 2018.

Farmers eagerly await the result of the vote for a 5 year extension of the glyphosate license now scheduled for 9th November, in the hope of a positive result; that is an extension, to aid their seedbed preparation and weed management in the coming years.