

FARMING UPDATE

APRIL 2023





INTRODUCTION

Welcome to the Ceres Rural Farming Update, a publication that provides independent insights on agricultural issues, from policy and grant funding, to administrative updates and key market information.

IN THE FIELD EARLY BIRD SURVEY

Looking forward to Harvest 2023, it is useful to get a picture of what crops are in the ground. Predominately, this can help influence marketing decisions, but it can also give an indication with regards to the direction of travel for future seasons.

With the weather being amenable for much of the autumn drilling season, it is no surprise that winter cropping is up year on year, with wheat rising by 1% and winter barley by 4%. Also unsurprising is the increase in oilseed rape, and oilseeds as a whole, with a 14% and 24% increase respectively. In absolute terms, there was an increase of 60,000 hectares in these categories combined as of 20th December 2022.

However, as the season has progressed, this picture may have changed as many OSR crops failed, being replaced with either spring barley or spring oats – will this offset the cumulative decrease of 52,000 hectares?

The table below *[Source: Defra, The Andersons Centre for the AHDB]* shows the results of the Early Bird Survey as conducted by AHDB.

THOUSAND HECTARES	DEFRA JUNE SURVEY 2022	EBS FORECAST 2023	% YEAR ON YEAR CHANGE
ALL WHEAT	1,809	1,821	1%
WINTER BARLEY	433	450	4%
SPRING BARLEY	671	632	-6%
OATS	174	166	-4%
OTHER CEREALS*	69	64	-7%
OSR	364	416	14%
OTHER OILSEEDS**	34	42	24%
PULSES	269	275	2%
ARABLE FALLOW	265	290	9%
OTHER CROPS ON ARABLE LAND***	734	700	-5%
TOTAL	4822	4855	

*Crops included rye, triticale and mixed grains

**Crops included linseed and borage

***Crops included sugar beet, potatoes, vegetables, maize (33%) and temporary grass (20%)

RAINFALL UPDATE EAST ANGLIA

What a difference a few months can make.

When our last quarterly update was released, many areas of the country remained in drought, with the latest release from the National Drought Group on 10th February indicating that two areas still remain – one being East Anglia.

Then March hit. It won't come as news to anyone that it has been incredibly wet. The Met Office East Anglian region registered 91.50mm for the month, with many personal weather stations recording over 100mm. Looking at the Met Office data set, this is the wettest March recorded this century, distinctly contrasting to following the driest February this century.

Therefore, looking at the first Quarter of the year, total rainfall is only 3mm higher than the 20-year average. This is somewhat reassuring when looking at fields and questioning whether or not they will travel, as the job list continues to mount higher. Let's hope that the weather relents.

Looking across other weather metrics, the first few months of the year have been relatively on trend for temperature, however sunshine seems a bit of an outlier – since 1910, 2023 ranks as the 99th highest for the month of March, which makes sense with the amount of rain there has been!



CEREALS

After enduring some sharp winter frosts and a rain-stricken March, winter cereals are generally looking well. Most crops were drilled into good seedbed conditions in the autumn and have responded well to an early dose of nitrogen after the winter frosts. Due to the high levels of rainfall and recent mild weather, some crops are starting to look quite forward, so growers should be mindful of growth regulation and straw management.

The wet weather has put a delay on early spring sprayer activity for many growers, and certain jobs must be prioritised. When conditions allow, growers should consider beginning their contact grass-weed control in their winter wheat and pressing on with T1 and PGRs in their winter barley. Lots of early drilled barley will also be grateful for a dose of nitrogen. Ideally winter wheat crops should have received around 130-140kg of nitrogen by mid-April.

Despite the colder winter months keeping yellow rust at bay in many parts of the country, these milder, damp conditions will be conducive for higher disease pressure in the crop. Saying this, crops are currently looking very clean!

Those who took the decision to capitalise on the dry weather at the end of January / early February for the drilling of spring cereals seem to be sitting pretty at this stage, with many crops having several leaves heading into the warmer weather. For those drilling into April, the need for pre-emergence chemistry may be reduced, with swift establishment of the crop being the most effective form of control. Consideration should be given to whether or not it's possible to scale back total N, and if it can be delivered in a single pass?

BREAK CROPS

It has been a toilsome time for many oilseed rape growers this season. Establishment proved difficult due to the lack of moisture, giving cabbage stem flea beetle the opportunity to feed on the slow-emerging cotyledon. In addition, most areas in England faced prolonged periods of minus temperatures over winter, causing frost damage to green leaf area and into the stem. This heightened the feeding of the beetle larvae. On top of this, certain areas have suffered extensive pigeon pressure, amplifying the already precarious situation. In some cases, growers have had to make the difficult decision to pull the plug on their winter rape, and plant a spring cereal in its place.

This considered, many crops have responded well from a much needed early dose of nitrogen, which has seen plants bounce back in a miraculous fashion. Light leaf spot is noticeably absent in many crops and may continue with a vigilant approach to fungicide application. Let's hope that the market can rally for those growers who do end up taking a successful crop to harvest.

By comparison, those who opted for beans as their alternative to oilseed rape in the winter break crop slot will have felt the benefit of their winter-hardiness. Due to their altitude or aspect, some crops did succumb to significant frost damage, but, on the whole, winter beans look well heading into the spring. Most crops were drilled in good conditions, avoiding compaction, allowing them to establish in well-structured soils. The pay-off for establishing crops in such fair conditions has potentially been an increase in grass-weed pressure, where pre-emergence chemistry didn't have the desired efficacy due to the warm temperatures and delayed flushes of grass species.

Spring beans have been going in the ground over past few weeks, and growers of combining peas will be eagerly awaiting soil temperatures to reach double figures and to dry out.



SUGAR BEET

The previous campaign has also subjected sugar beet growers to some abject environmental conditions. Early season drought and beet moth predation was followed by a cold winter, laden with frost damage for those beet unlifted. Although some growers were offered some respite with the threshold for frost insurance being met on 15th December, the year as a whole was defined by low yields and low sugars across the growing regions.

Pleasingly, the outlook for 2023/2024 is brighter. With contracts at £40/t, there is significant scope for a fruitful season for sugar beet growers. Unsurprisingly, very little planting has taken place due to the extensive rainfall in recent weeks, but windows for drilling should hopefully open up in the coming weeks. With commodity markets falling, it seems clear that sugar beet could be one of the most financially important crops for harvest 2023, and should be grown accordingly.

Another headline from the world of sugar beet is the emergency authorisation for the use of 'Cruiser SB' neonicotinoid seed treatment for the control of Virus Yellows (VY). Defra announced that the increased threshold of 63% infection was predicted to be met. This action has faced some negative backlash from factions of the media and environmental groups due to the perceived impact on insects such as bees. Growers using the product should ensure the 2023 Cruiser SB Neonicotinoid Stewardship Document is adhered to, maintaining best practice.

WILDLIFE & CONSERVATION

Birdlife in our countryside has faced a particularly testing end to 2022. Drought conditions in the spring and summer limited food and water availability, impacting breeding success among many of our native and summer-visiting species. This has been dramatically compounded by the intensity and virulence of the H5N1 strain of avian influenza that is impacting domestic and wild birdlife around the planet.

Despite this, land managers and farmers have been playing their part to support vulnerable species as part of their Countryside Stewardship Schemes. With an increased uptake in the scheme, greater areas of unproductive land have been taken out of arable production to benefit species such as grey partridge, yellow hammer and linnet. Options within the scheme, such as AB9 (Winter Bird Food), have provided valuable cover and feed during a winter which has been particularly cold and scarce of natural food sources. Participants have extended their contribution to conserving bird life on their land by dovetailing this with the AB12 (supplementary feeding) option. This will sustain a number of species through what is known as 'the hungry gap', feeding certain plots from December right through to the end of April. For those species entirely dependent on small seeds for their forage, such as the ethereal turtle dove, this provides vital sustenance after their arrival from Africa in early spring.

Ceres Rural advisers have also been hugely encouraged by the presence of lapwing on two separate farms in Hertfordshire where AB14 (low-input cereal) options have been implemented, one of which was preceded by option SW6 (over-winter cover crop). This is a shining example of where the environments created within a high-grossing arable option can complement conservation and environmental ambitions.

Moving into spring, flower-rich margins and plots available under the Countryside Stewardship Scheme (and soon in the Sustainable Farming Incentive) will play a vital role in promoting insect life within the farming landscape. Not only will this promote the presence of beneficial insects within the arable system, but also form the diet for several of our red-listed species.

At this stage, recent Defra announcements around the emerging standards of the Sustainable Farming Incentive look as though supporting wildlife and biodiversity on farm could become increasingly flexible and simple, which is welcome news for many land managers.





POLICY & BUSINESS NEWS

COMPREHENSIVE & PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)

On 31st March the government announced the UK has formally requested accession to the CPTPP, a trade agreement amongst 11 countries. The founding members of the agreement signed the pact in 2018, with the UK being the first new member to join. The current members account for 13% of the world's income.

This will be the third agreement the UK signs since leaving the EU, after trade deals with Australia and New Zealand, two members of the CPTPP, and the largest agricultural producers within the group.

The AHDB stated that their analysis does not predict any dramatic changes to trade, especially in the short term. This agreement doesn't impact the Free Trade Agreements already in place with both Australia and New Zealand, hence won't expose British farmers any further.

There will be opportunities for British farmers – a number of the members are expecting to see increases in demand for red meat and dairy products, with pork demand increasing by 19% and beef by 16%. There are tariff rate quotas in place for beef and pork however, and these do represent a significant increase, potentially presenting issues.

UREA CONSULTATION – LATEST UPDATE

As most will be aware, a consultation on plans to reduce ammonia emissions from urea fertilisers was held from November 2020 to January 2021. The result of which was an alternative option to those laid out, and entailed:

- Only using untreated or unprotected urea fertilisers from 15 January to 31 March each year
- Use urease inhibitor-treated or protected urea fertilisers throughout the rest of the year

This restriction has been delayed and is now set to be implemented from the 1 April 2024. This will be enforced through the Red Tractor Assurance scheme, with businesses found not to be complying having to undertake the BASIS module in reducing ammonia emissions.

The Government's position remains to remove the use of untreated urea fertilisers. Therefore, farmers should look to implement best practice and only apply urea in the right conditions. Farmers should take this change into consideration for fertiliser plans and purchases for harvest 2024.

GRANTS & RURAL PAYMENTS



COUNTRYSIDE STEWARDSHIP SCHEME (CSS)

At the Oxford Farming Conference, Minister Mark Spencer announced new payment rates will be introduced for all new and existing Mid-Tier Countryside Stewardship agreements from 1st January 2023. On average, there has been a 10% increase in revenue rates.

Applications for Mid-Tier and Wildlife Offers are now open, with the deadline for applications being 18th August 2023.

CSS – CAPITAL ITEMS

In January 2023, on average, capital payment rates have increased by 48% for agreements awarded on the 1st January 2023 or there after.

CSS capital options can be applied for as a standalone item throughout the year and applicants do not need to be in an environmental scheme to secure the funding.

There are now 70 capital items available with an additional funding group recently introduced. The four group areas include:

- Boundaries, trees, and orchards
- Water quality
- Air quality
- Natural flood management

For 2023 there is no limit to the value of capital items that can be included in each of the four groups, however good value will need to be demonstrated.

Capital items which require support from Catchment Sensitive Farming (CSF) are now available in High, Medium and Low Priority Areas for Water and Air Quality. It would be advisable to contact your Local Catchment Sensitive Farming Officer promptly due to the expected increase in demand for funding.

COUNTRYSIDE STEWARDSHIP PLUS

Countryside Stewardship Plus will reward farmers for taking coordinated action, working with neighbouring farms to support climate and nature aims. This scheme will be an enhanced version of the Countryside Stewardship Scheme and in replacement of the Local Nature Recovery.

The evolution of CSS will see c.30 additional actions rolled out by the end of 2024. As the schemes evolve, Defra intends to offer SFI and CS in a single, integrated service.

SUSTAINABLE FARMING INCENTIVE (SFI)

SFI MANAGEMENT PAYMENT

Since the Autumn Review, Defra has introduced the SFI Management Payment. This Management Payment pays £20/ha, for up to 50ha of land entered into the scheme. Those who are already signed up to the scheme will not be unfairly disadvantaged and will also receive this payment. This means farmers will receive up to £1,000 per year in addition to their agreement to cover any administrative costs for participation.

SFI OFFER IN 2023

In 2023 there will be six new SFI standards launched. The payment rates and a brief description for each of these standards has been announced.

The six new standards in 2023 include:

- Nutrient management standard
- Integrated pest management standard
- Hedgerows standard
- Arable and horticultural land standard
- Improved grassland standard
- Low/no input grassland standard

SFI Agreements last for three years, and it is believed that you will be able to add new standards into the agreement as they launch. Agreement holders can include both SFI and CSS on the same parcel, but you will not be paid twice for the same outcome.

To give an idea, some of the new standards being introduced include completing a Nutrient Management Plan (£589/yr), completing an Integrated Pest Management Assessment and Plan (£989/yr), no use of insecticides on any parcels entered (£45/ha), and establishing a companion crop (£55/ha).



FREE BUSINESS ADVICE

FUTURE FARMING RESILIENCE FUND (FFRF)

Ceres Rural has been successful in securing funding from Defra to offer free business advice to support farmers and land managers through the Agricultural Transition. From October last year to March 2025, the FFRF enables Ceres Rural to carry out a range of consultancy services which can guide you through the main opportunities and challenges to consider, and help you identify how to adapt your business to maximise its resilience in the new era.

In this phase our diversified offering enables farmers to choose from one of the below services:

- A farm resilience report or carbon audit
- A benchmarking report or business plan
- A new or follow up half day business review

Ceres Rural has already helped over 500 farm businesses in the previous round of the FFRF and the feedback has been overwhelmingly positive, as it provides the opportunity for a fresh review of the business at no cost.

To discuss which service would be best suited to you and your business please register your interest.

REGISTER TODAY



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MARKET UPDATE

Since the previous update in November, markets have tumbled. At the time of writing, spot prices are below the pre-war level. The peak seen in mid-May is a distant thought, with the spot price currently sitting close to the £200 mark.

Markets seem to be less responsive to any news coming from the Russian invasion of Ukraine. However, the market remains volatile with large swings on a daily basis frequent.

Farmers who are yet to close out on last year's harvest will need to be cautious of low UK demand. Even with prices having fallen, selling at the current spot price is likely to resemble a profit.

Farmers will again need to be increasingly circumspect regarding their current % sold, average fertiliser price and realistic yield potential, when considering selling for harvest 2023. Although prices have a bit of a premium on old crop, it is questionable if the current level will ensure a profitable harvest, especially when there is still a long way to go.

For premium crops, such as milling wheat and malting barley, min max contracts continue to be available with merchants, and old crop premiums have remained strong. With replacement nitrogen prices low, late applied foliar applications of N to milling varieties will be quite attractive for growers. Conversely, for malting barley, the supposedly inevitable recession continues to be staved off, and as last year was a low N content year for most, will malting barley meeting a high specification continue to demand a high premium?

ARABLE (£ PER TONNE)	YEAR AGO	MAY-23	NOV-23
MILLING WHEAT	288	255	263
FEED WHEAT	266	190	205
FEED BARLEY	229	172	185
MALTING PREMIUM	295	215	225
OILSEED RAPE	660	405	413
BEANS	255	225	235

Source: Merchant East Anglia ex. farm bids (as of 3rd April 2024)

FERTILISER MARKETS – LATEST UPDATE

The fertiliser market has offered a bit of relief over the last few months and weeks, although this reassurance will unlikely translate into the financials for the 2023 harvest, it might offer something a bit closer to normality for 2024. Who is to know.

In recent weeks Ammonium Nitrate has come back £30/t in anticipation of CF releasing their new season price, however it is currently unknown when this will be released and in what form. One would expect that there will be a significant drop to remain competitive with a comparative urea price. With new season urea opening up at around £415/t and falling now to the £360-370/t for early delivery, the equivalent price would have to be in the realms of £300/t for AN to remain competitive? Urea has seen a fall lately, partly due to the strengthening of the pound vs the dollar. Yet there remains much uncertainty. India has taken four months to come to the market and only bought 1.25m tonnes, compared to an average of 4m tonnes within that period. This could suggest there is currently more supply than demand.

We have also seen a correction in both potash and phosphate in the past week. This leaves potash at between £560-570/t and TSP between £540-550/t.

The market remains uncertain, but there seems to be some bearish sentiment currently. Similarly to wheat, the safest approach remains to be little and often.



HEALTH & SAFETY

The Health & Safety Executive recently launched a farm vehicle safety campaign, calling on everyone in the farming community to do what they can to reduce the number of injuries involving vehicles and save lives. A new website has been launched which focuses on three areas – safe farm, safe driver, and safe vehicle – and features videos and checklists with the aim of making 2023 a safer year in UK agriculture. For further information, follow [Work Right Agriculture – Work Right to keep Britain safe.](#)

With the spring season fully underway, hazards associated with livestock include calving and lambing, turnout to grazing, and incidents of members of the general public encountering animals in the countryside. For arable enterprises, the pressure is on to get spring crops drilled and both autumn and spring crops sprayed and fertilised when ground and weather conditions allow. Time should be taken to ensure that fertiliser and pesticide inputs are stored, handled, transported and used correctly by trained and competent workers who have the right equipment and personal protective clothing, as well as access to welfare facilities.

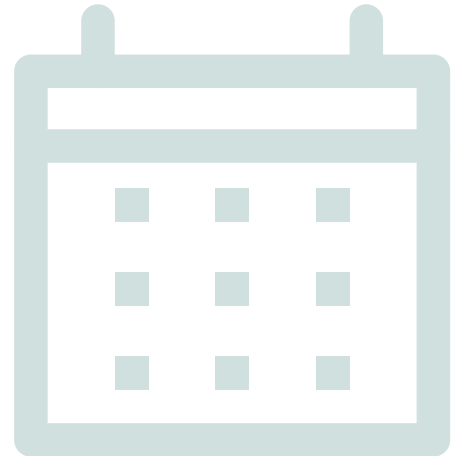
CERES PROPERTY

Established in October 2021, Ceres Property has been offering first class advice to land managers across the country. Working alongside Ceres Rural, they offer a specialised range of services to clients, many of which can only be delivered by individuals holding a chartered surveyor qualification. The two businesses harmoniously provide a full 360° service model to the rural economy which means that from initial identification of any issue or opportunity, through to execution and onwards management, Ceres can be your constant sounding voice.

The team's range of specialisms provide a diverse range of services, from strategic estate advice to compulsory purchase, and much in between. To read the Ceres Property update, please follow this [link](#).



DATES FOR THE DIARY



- Suffolk Show – 31st May to 1st June
- Cereals – 13th to 14th June
- Groundswell – 28th to 29th June
- Norfolk Show – 28th to 29th June
- Farm Business Innovation Show – 15th to 16th November
- Agri Technica – 12th to 18th November
- CropTec – 29th to 30th November

GET IN TOUCH

If you would like to discuss any of the topics covered in this issue of the Farming Update, do contact a member of the [Team](#), or speak to the project leader, Ben Bates, via the details adjacent.



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