# Ceres Rural – Farming Update

## Introduction

Welcome to the Ceres Rural Farming Update, a publication that provides independent insights on agricultural issues, reports on policy, grant and administrative updates and key market information. To discuss any of the topics raised, contact one of the Team.

## In the Field

Crops experienced some welcome relief in the month of June with some much-needed rain helping to see some crops further through the growing season. Regardless, from September up to the end of June, East Anglia had received ~110mm less rain than the 20-year average from 2000 onwards, according to data available from the Met Office. Undoubtedly, hitting maximum yields will be partially hampered by this, and certain soil types may be adversely impacted. However, when compared to the dull June of 2021, the recent bright weather should promote grain fill and, importantly, help milling wheats to make quality.

The outlook for harvest 2023 remains an uncertain picture; with the cost of input prices continuing to rise as markets remain unsettled and have, predominantly, been sliding since mid-May. Many businesses will have secured a proportion of required fertiliser and may have a better idea of what the results of reduced fertiliser usage is post-harvest 22. More than ever farmers are required to be innovative and displace risk as best as possible.

### Cereals

Early estimations by the AHDB outline the 2022 wheat harvest to be c. 14.95Mt, a 7% increase from last year's crop and a 10% increase on the 5-year-average. In East Anglia it feels like nearer a c. 14Mt harvest than a 15Mt harvest as crops start to show signs of senescence. Many southern winter barley crops will be harvested by the middle of July, depending on location, probably 7-10 days earlier than previous years. All eyes will be on bushel weight to see what affect an early harvest may have on grain quality and an indication of what the wheat harvest may be like.

Winter oats are likely to be heading for a July harvest date as will early wheat.

New varieties (Winter Wheat)

Multiple trials sites have been exhibiting both current and new variety options for the coming season.

- There are no new varieties in the Group 1 space, and additional questions have been raised this growing season around Zyatt's susceptibility to yellow rust. Milling wheat growers will have to decide whether to persevere with current varieties, with no new credible candidates until 2024/25.
- There are two new varieties within the Group 2 category in KWS Palladium and Mayflower. In particular, KWS Palladium is an exciting prospect for the coming season. A Trinity Zyatt cross, KWS Palladium only misses out on being considered a Group 1 due to lower water retention in the flour, however provides robust disease control, respectable yields and better quality than other options in many Groups.
- Group 3 sees three new entrants: KWS Guium, KWS Brium and RGT Rashid. Some consider there to be a disproportionate number of Group 3 varieties in consideration for the 7% of market share they operate within. LG Astronomer still likely to be the pick of the bunch.
- Group 4 soft wheats also have two new 'in-form' entrants in RGT Bairstow and RGT Stokes. RGT Bairstow has slightly better yield results of the two, alongside resistance to Orange Wheat Blossom Midge (OWBM) which RGT Stokes lacks. Conversely RGT Stokes is a good early sower.
- Seemingly, most excitement from the incoming varieties is within Group 4 hard wheats. Here there are three new entrants: Champion, KWS Dawsum and LG Typhoon. Seed availability is expected to be good for both Champion and KWS Dawsum, with a lot being made of both varieties' positives. Both have very compelling yield results of 106 and 104, respectively, coupled with good disease ratings across the board. However, there are concerns surrounding Champions' specific weight and resistance to lodging, whilst KWS Dawsum doesn't have OWBM resistance. Quietly, LG Typhoon offers reasonable yield results of 102, alongside comprehensive disease resistance and OWBM resistance- however there may not be as much seed on offer.

## Oilseed Rape

Crop condition scores across the country are positive; with 48% and 20% of the Oilseed Rape crop rated as 'good' and 'excellent', respectively. Seemingly there has been high pigeon pressure across the country, resulting in some crops being patchy in places. However, with commodity prices having been at unprecedented highs, it would be fair to suggest that rape crops have received more attention than in previous years.

Oilseed rape crops are quickly approaching harvest. Prospects for harvest are reasonable to good, however questions will remain regarding quality of pod filling and seed size until the crop is in the shed!

With nationally c. 420 thousand ha of winter barley to be cut in 2022, clearly there is an opportunity for many rape crops to be established in good time this July/August. There is no evidence to suggest Cabbage Stem Flea Beetle numbers will be anything less than last year, so again rape establishment will be all about conserving moisture and rapid, even crop emergence, with hopefully a drop of rain after sowing to get the OSR away.

## Sugar Beet

After the sunshine and showers of June, most Sugar Beet crops are looking well with canopies filling out and no foliar disease being reported. Some crops are patchy where emergence has been variable due to low moisture; more rainfall is required to help these plants catch-up and also to help reduce wilting on light land in hot conditions.

Sugar beet plants, as a rule, are at the 16/18$^{th}$ leaf stage, as such beyond being susceptible to aphid reproduction and the spread of Virus Yellows. According to the Rothamsted aphid alert system, peach-potato aphid numbers are greatly reduced across the country. Worryingly, there are reports of yellowing patches in crops, predominantly (but not solely) in those without the Cruiser seed dressing.

Also of concern are bolters and weed beet, with an increasing presence in crops. Their impact on yield is considerable; with 1 per square metre able to reduce yields by 11% and produce 1,500 seeds. Hence it is advisable to rogue effectively and encourage good vigilance in controlling in other crops.

Looking forward to the 2023/24 Beet campaign, growers will be incredibly relieved to see British Sugar increase prices to £40/t, making the prospect of Sugar Beet much more attractive. With areas having decreased over recent years, it will be incredibly interesting to see how this latest price is received by growers.

# Policy and Business News

## Food Strategy

On the 13th June 2022 the Government Food Strategy was released in response to the independent review of the food system carried out by Henry Dimbleby in 2021. The Strategy sets out 3 objectives:

1. To deliver a prosperous agri-food and seafood sector that ensures a secure food supply in an unpredictable world and contributes to the levelling up agenda through good quality jobs around the country
2. To deliver a sustainable, nature positive, affordable food system that provides choice and access to high quality products that support healthier and home-grown diets for all
3. To deliver export opportunities and consumer choice through imports, without compromising our regulatory standards for food, whether produced domestically or imported

In the wake of the COVID pandemic, the Russian invasion of Ukraine and cost-of-living crisis, food security has come to the forefront. Hence this paper is appropriately timed.

The paper falls short in addressing the two issues which are currently of most concern to farmers— fuel and fertiliser. The paper fails to draw any parallels between the increase in fuel prices and the subsequent impacts on agriculture. Regarding fertiliser— the paper fails to acknowledge the unrelenting issue of UK agriculture's addiction, and requirement, for large volumes of inorganic fertiliser which are predominantly produced outside of the UK. This is further exaggerated according to the largest fertiliser plant in the UK shutting permanently. The strategy has been criticised for a lack of detail but does implement over 50% of the recommendations made by Henry Dimbleby.

## Autumn 2022 use of Organic Manures

After the confusion of Autumn 2021, the DEFRA released updated guidance on the 16th June 2022 for Applying the farming rules for water. This outlines the following:

- No ban of summer & autumn spreading of organic manures in 2022
- Autumn crop requirement for nitrogen is no longer the decider if a crop can receive Autumn Organic Nitrogen
- Requirements include:
    - Land managers
        - must make a plan to avoid significant risk of diffuse pollution
        - must demonstrate an assessment of crop and soil Nitrogen and Phosphate requirements pre-application
        - must produce a nutrient management plan and consider Phosphate index
    - Plans must take into account Readily Available Nitrogen (RAN) of Organic Manures (Low RAN <30%, High RAN >30%)
    - High RAN manures include- poultry manure (layer manure and litter), liquid organic manures (sludge, cattle and pig slurries and anaerobic digestate)

The overriding legislation remains according to Nitrate Vulnerable Zones whereby:

- Land managers
    - must not use more than 250kg of total nitrogen from all organic manures spread in any 12-month period on any single hectare of land
    - can apply up to 170kg per hectare of nitrogen in livestock manure on the holding, as an average, in each calendar year

- Manures with High RAN can't be spread in the dates shown in the below table:

| | On Grassland | On tillage land |
|---|---|---|
| Sandy or shallow soils | 1 Sep to 31 Dec | 1 Aug to 31 Dec |
| All other soils | 15 Oct to 31 Jan | 1 Oct to 31 Jan |

# Grants and Rural Payments

## Sustainable Farming Incentive

On the 30th June 2022, the Sustainable Farming Incentive (SFI) opened for applications. The SFI falls under the Environmental Land Management Scheme arm of Defra's Agricultural Transition plan, with ambitions of a 70% uptake of farms and farmland.

In 2022 the SFI aims to:

- encourage actions that improve soil health
- recognise how moorland provides benefits to the public (public goods)
- improve animal health and welfare by helping farmers with the costs of veterinary advice for livestock

Over the course of the transition period, multiple standards will be released which will cover a wide range of areas. As of 2022, 3 standards have been made available:

- Arable and Horticultural Soils
- Improved Grassland Soils
- Moorland

In relation to the Soils standard, two levels of the standard have been released—Introductory and Intermediate, which pay £22 and £40 per ha, respectively. Both levels have 4 actions:

1) Complete a soil assessment and produce a soil management plan
2) Test soil organic matter
3) Add organic matter to all land in the standard during the 3-year agreement
4) Have green cover on at least 70% of land in the standard over winter (in the intermediate level, 50% has to be green cover and 20% has to be a multi-species cover)

Applications will remain open so that farmers are able to apply whenever is convenient, and payments will be made quarterly in arrears.

Ceres Rural have produced an SFI calculator to aid with decision making. If you have any questions regarding the SFI, please do not hesitate to get in touch with the Team.

## Farming Transformation Fund- Adding Value

From November 2021, the Farming Transformation Fund has been open offering farmers considerable funding for large scale projects which fit within certain objectives. The first theme, with the initial application opening in November and closing in January, was the Water Management Theme— primarily interested in reservoirs. The second theme, with the initial application opening in January and closing in March, was the Improving Farm Productivity Theme— primarily focused on robotics and their applicability within the industry.

The last theme within the Farming Transformation Fund is the Adding Value grant. The grant is open to agricultural producers or businesses processing agricultural or horticultural products which are at least 50% owned by agricultural or horticultural producers.

The grant aims to fund projects which:

- Increase, improve or introduce new processing capabilities
- Grow your business – to improve business resilience
- Process products for the first time
- Shorten supply chains
- Encourage collaboration and partnerships
- Improve environmental sustainability

The grant will fund 40% of eligible items, with the minimum grant available being £25,000 and the maximum being £300,000.

The application process has 2-stages. The first is an online eligibility checker which opened on the 9th June and closes on the 21st July. The second is the full application, dates of which are yet to be released.

## Countryside Stewardship Applications

CSS opened for applications on 8th February 2022 for agreements starting on 1st January 2023. The scheme offers payments for a suite of land management options and capital grants with the aim to enhance the environment.

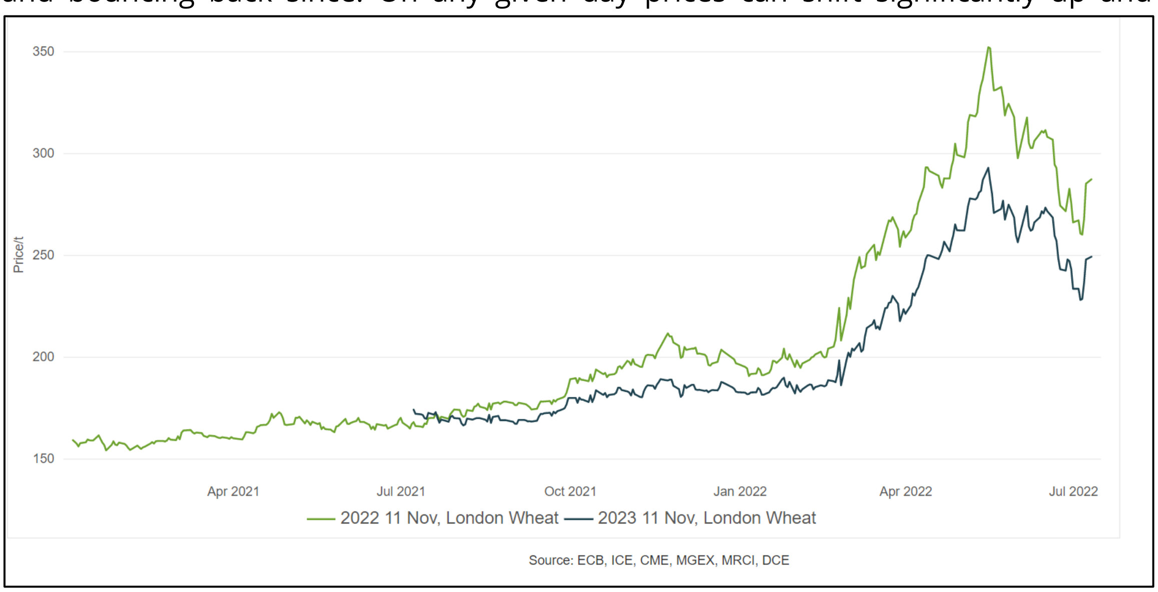
1) **Higher-Tier Stewardship** – this scheme is aimed at land that requires more complex management tailored to the individual site, including woodland maintenance. The deadline for Higher Tier applications ended on the 29th April.
2) **Mid-Tier Stewardship** – this scheme aims to provide a range of options and capital items that together help to deliver a broad range of environmental benefits. This year it is now possible to apply online for Mid Tier, so there is no longer a requirement to request an application pack, however online packs needed to be applied for by the

end of June. It is also important to apply for the HEFER maps in good time prior to the deadline. Applications need to be completed and submitted by 29th July.

3) **Wildlife Offers** – this scheme is designed to be quicker and simpler to apply for and guarantees an agreement if the requirements are met. Applications need to be completed and submitted by 29th July.
4) **Capital Grants** – this scheme offers grants for boundaries, trees and orchards; water quality and air quality. Applications for Capital Grants are open all year from 8th February and will remain open until the funding is allocated. If an application includes options that require approval from a Catchment Sensitive Farming Officer, the Officer will need to be contacted 10 weeks prior to submission. Please also note that DEFRA have widened the Catchment Sensitive Farming approval to both high and medium priority areas for water and air pollution management options.
5) **Woodland support grants** – this scheme includes grants for woodland creation, maintenance, management and tree health. Applications can be submitted year-round for these grants; however it is important to plan the timing of a Woodland Support application if a woodland is then going to be entered into a Mid or Higher Tier scheme and the dates these involve.
6) **Implementation Plan (PA1) and Feasibility Study (PA2) grants** – this scheme includes grants that provide funding for more complex agreements and projects. It's a requirement to speak to a Natural England advisor before applying.

## Market Update

The below graph details the change in wheat price for November 2022 and November 2023 contracts from the 1st January 2021 up to the 11th Jul 2022. Since mid-May the global wheat price has dropped off significantly from a Nov-22 futures price of £351.50 to a low of £260.00 and bouncing back since. On any given day prices can shift significantly up and down.



Similarly, oilseed rape prices have fallen from historic highs of £850/t (21 harvest) back at the end of April, to a current harvest price of £570/t.

Some commentators remain quite bullish in their outlook, however only one thing seems more certain than ever- the unpredictability of the markets!

With the vast majority of costs already consumed for Harvest 22, and crops being most of the way to completion, farmers can have a high level of certainty in the level of business profitability for this season.

Due to the live nature of commodity markets, do contact a member of the Team for the latest prices and to discuss your marketing strategy in more detail.

| Arable (£ per tonne) | Year Ago | November 2022 | November 2023 |
|---|---|---|---|
| Milling Wheat | £212 | £315 | - |
| Feed Wheat | £196 | £270 | £240 |
| Feed Barley | £147 | £240 | £210 |
| Malting Premium | £30 | £80 | - |
| Oilseed Rape | £423 | £580 | £540 |
| Beans | £231 | £310 | £270 |

Source: Merchant East Anglia ex. farm bids (as of July 13th 2022)

## Health & Safety

It is essential that health and safety is at the forefront of everyone's mind at this busy time of year. Harvest is a period of new and heightened risks due to longer working hours, temporary staff who are less familiar with the working environment, increased machinery movements on the public highway, and the presently very high risk of field and machinery fires. In particular, the National Police Chiefs have announced a week of proactive checks on agricultural vehicles with a particular focus on operator competence, machinery condition and load security, during the week commencing 18th July.

Please see the latest Ceres Rural Health & Safety Bulletin here, and if you would like to discuss any topics in further detail, please contact Rob Gazely (07592 041617).

## Dates for the Diary

- Farm Business Innovation Show – 2nd to 3rd November
- CropTec – 23rd to 24th November
- LAMMA – 10th to 11th January 23
- Agri Technica – 12th to 18th November 23

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.

## Meet the Team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