

# FARMING UPDATE

OCTOBER 2023



# INTRODUCTION

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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

### 2023 CERES RURAL HARVEST YIELDS

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The 2023 Ceres Rural yield survey attracted a total of 181 respondents. This is an ever-growing data set, with the largest contributing counties being Essex, Hertfordshire, Bedfordshire, Norfolk and Cambridgeshire, and results coming from a total of 21 counties.

From the data collected, harvest 2023 showed a slightly lower average yield compared to harvest 2022, with break crops suffering quite significantly in places.

When comparing the 2022 and 2023 growing season (January-July) total rainfall, sunshine and temperature with a 20-year average from 2001-2020, what is immediately apparent is that the '23 growing season was very similar to the 20-year average in all three respects, whereas for '22, despite rainfall being greatly reduced, sunshine and temperature were considerably higher. The problem is, these totals paint a warped picture that harvest '23 was 'normal', but in reality, when looking at the monthly breakdowns, it is clear this is quite far from truth. Examples include, rainfall in February being almost non-existent, followed by March which received double the expected rainfall. Another example can be seen in June, where the mean temperature was 12% above average, coupled with 55% less rain.

		JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
<b>RAINFALL</b> (MM)	2001-2020	57	46	41	33	52	52	58	337
	2022	16	61	28	12	35	35	5	193
	2023	49	6	92	54	45	23	79	347
	2022	-71%	34%	-32%	-64%	-32%	-33%	-91%	-43%
	2023	-15%	-87%	126%	62%	-12%	-55%	38%	3%
<b>SUNSHINE</b> (TOTAL DURATION BRIGHT SUNSHINE)	2001-2020	60	81	123	181	205	197	206	1054
	2022	103	96	182	207	188	248	248	1272
	2023	86	109	76	184	211	266	173	1106
	2022	71%	19%	48%	14%	-8%	26%	20%	21%
	2023	42%	35%	-38%	2%	3%	35%	-16%	5%
<b>MEAN TEMPERATURE</b> (°C)	2001-2020	5	5	7	9	12	15	18	71
	2022	5	7	8	9	14	16	19	77
	2023	5	6	7	9	12	17	17	74
	2022	-3%	38%	17%	-1%	9%	2%	9%	8%
	2023	8%	30%	8%	-6%	-2%	12%	-2%	4%

Taking these patterns and looking at the harvest results received, we can gauge how each crop performed. Looking at the diagrams below, although winter wheat yields were slightly reduced from 2022, the variation was minimal, with first wheats actually performing better in 2023. Across the cereal portfolio, results are predominantly within 5% of the previous harvest. On the face of it, this looks like a strong result, as harvest 2022 for many was considered a high yielding year. However, our impression earlier in the season was that crops looked phenomenal with vast yield potential, that did not actually realise.

Needless to say, cereal crops had a much better year than almost all break crops. The second diagram shows how, for all but spring linseed and spring beans, break crops suffered in harvest 2023. The predominant cause of which is the intense temperatures in June, amplified by next to no rainfall and lack of sunshine, which cut off flowering prematurely.

These trends have also been seen on a national level with the [provisional cereal and oilseed production estimates](#). The government statistics estimate that the English wheat harvest has reduced by 10% from 2022 at 12.8 million tonnes at an 8.1t/ha average, the barley harvest is reduced by 5.8% down to 4.8 million tonnes, predominantly driven by a 13% decrease in spring barley. Oilseed rape production is estimated to have fallen by 14% to 1.0 million tonnes despite a 6% increase in area, with average yield at 3.0t/ha.

For further insight into harvest 2023 yield results, please see our separate Yield Survey Report publishing soon.



### CEREALS YIELDS 2022 VS. 2023 (T/HA)

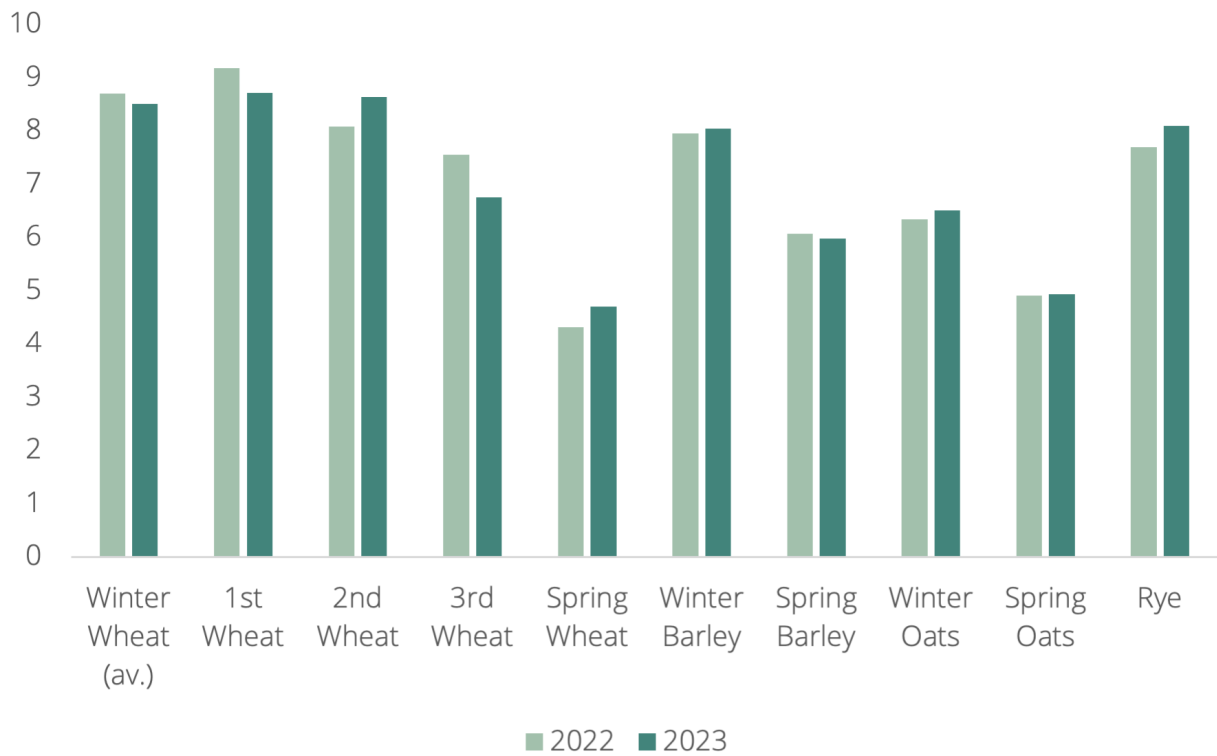


Figure 1: A graph showing cereals yields in 2023 compared to 2022

### BREAK CROP YIELDS 2022 VS. 2023 (T/HA)

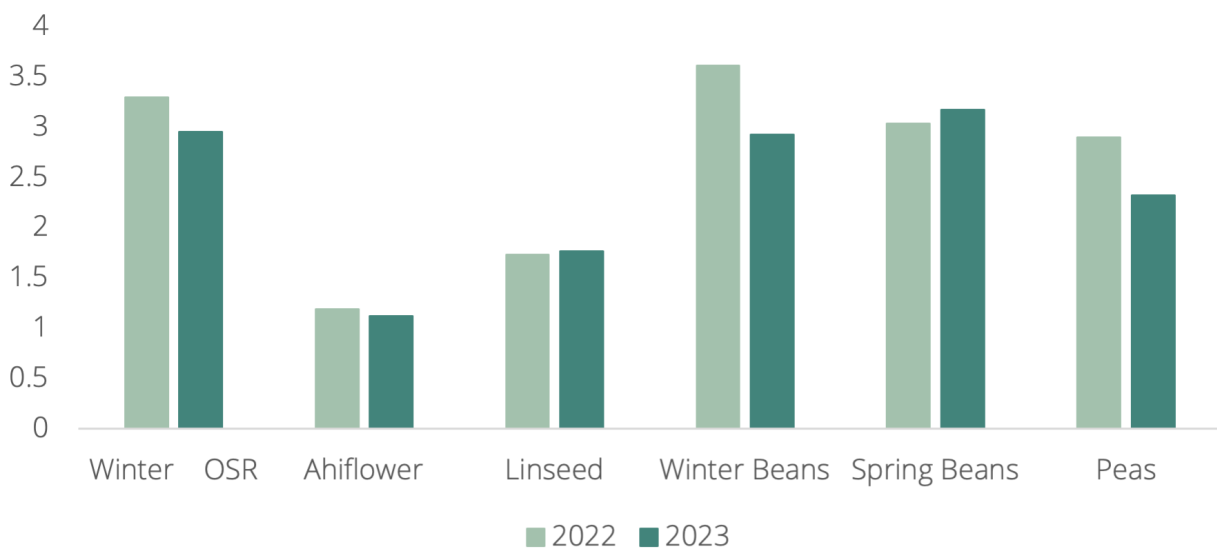


Figure 2: A graph showing break crop yields in 2023 compared to 2022

# CEREALS

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Kind conditions post-harvest have allowed for autumn cultivations to go ahead smoothly. There was sufficient soil moisture at the end of August / early September to allow soil to be moved and induce a good flush of volunteers and weed species.

There should be low grass weed dormancy due to a wetter and milder harvest and autumn – the opposite of '22 harvest. Given the favourable conditions through September, many producers have taken the decision to capitalise on the weather and begin winter cereal planting. As a result, seedbed conditions look to be providing good opportunities for pre-emergence efficacy and even establishment.

As crops emerge, there are some key areas around Integrated Pest Management (IPM) to consider. Due to the wetter weather through the summer, slug pressure will pose a greater threat to newly emerging plants. Greater levels of green matter in the canopy and soil moisture will have allowed an increased slug population to survive the summer months. This wetter weather also made straw management more difficult, resulting in higher volumes of residue, a proportion of which was chopped. This has created an ideal habitat for slugs to move and reproduce within the field. Close monitoring and trapping should be carried out, with applications of ferric phosphate being used where grazing is posing a threat to establishment.

Many wheat and barley growers in the south were subject to Barley Yellow Dwarf Virus (BYDV) affecting their 2023 crops, and the risk remains high moving into 2024. Grass weeds and cereal volunteers play host to bird cherry aphids, and therefore, stubble and seedbed hygiene has been a high priority pre-planting. NIAB recently suggested that up to 30% of the aphids in the crop could be carrying the virus. High temperatures at planting will accelerate aphid reproduction, increasing numbers of the second-generation virus vectors. Growers should be vigilant in the monitoring of aphids in the crop and utilise the Rothamsted forecasting tools to target insecticide applications in an efficient manner. A number of growers are turning to tolerant varieties to mitigate issues with the virus, and it will be interesting to follow their performance over the coming season.



## BREAK CROPS

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Yields for break crops in harvest 2023 were down on 2022, leaving many growers unimpressed with their prospects moving into 2024. Weather patterns during spring and summer were poorly suited to flowering crops, resulting in good-looking crops failing to yield in line with expectation.

Despite any disappointments of 2023, soil moisture in August gave oilseed rape (OSR) growers an opportunity to establish a crop early in the month. Many of these crops were able to escape the predation of cabbage stem flea beetle (CFSB) and have benefitted from some ideal growing conditions. Where growers were unable to get their crops in early, establishment has once again proved difficult due to CFSB activity and very little control available through pyrethroid insecticide. Some growers will be facing the purgatory of deciding whether to persevere with their crop, or look to 'Plan B'. For those earlier drilled crops, grass weed burdens are currently high, despite the application of graminicides early in the season. Growers with a large canopy at this stage must also be mindful of early Phoma infection in the crop and may consider treating with difenoconazole (or alternatives) if the threshold is met. Crop advisors are already seeing flea beetle larvae in both crops treated and untreated with insecticide. There are plenty of good-looking crops out there, but as any OSR grower knows, there is still a long way to go.

With winter cereal drilling well underway, and even finished in some areas, growers will be turning their attention to winter bean planting. Drilling date of winter beans is often a hotly debated topic, with growers balancing the kinder establishment conditions early in the autumn, with the benefits of delaying drilling in terms of weed control and frost hardiness. With current soil temperatures, the efficacy of pre-emergence herbicides such as Propyzamide will be significantly compromised. With regards to pre-emergence options in winter beans, there have been some significant changes to the options available. Both Prosulfocarb (Defy) and Pendimethalin (e.g. Stomp Aqua) have lost their EAMUs for use in winter beans, and therefore are no longer cleared for application. This narrows the suite of products available for pre-emergence weed control, with the alternatives looking costly.

# SUGAR BEET

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Early lifting is in full swing across the growing regions, with the dry spell in September and October allowing a clean and efficient lift. For crops out of the ground, preserving sugar through this warmer spell will be a priority. Limiting root damage and bruising will be key, along with leaving the crop in the clamp for as short a time as possible. For crops in the ground, warm and wet conditions have allowed foliar disease to increase in the crops, although fungicides are showing their worth in slowing down development. At this time of the season, rust will be the main cause for concern.

Looking ahead to 2024, there is still nothing concrete on the table in terms of contracts. NFU Sugar and British Sugar have thus far failed to reach an agreement. Despite this, as part of the ongoing negotiations, British Sugar have made a commitment that the minimum price offered to growers will be at £37.50/t. This is a potential reduction on last year, with British Sugar sighting that it is reflection of deflating input costs. With global sugar prices high, growers might well be frustrated with the current proposal. That aside, sugar beet at that price is still offering strong gross margins in a break crop landscape that is becoming ever more difficult to navigate. British Sugar state that they have also designed a bonus mechanism which will be market-linked, allowing the price to be “topped-up”.



# POLICY & BUSINESS NEWS

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## CONSERVATIVE PARTY CONFERENCE

Thérèse Coffey had an opportunity to defend her position as Secretary of State for Environment, Food and Rural Affairs at the Conservative Party conference. At an event chaired by the NFU, Ms Coffey was forthright in her evaluation of the challenges for British farming businesses. She reassured the floor of her department's commitment and alignment with rural affairs. Food security was also an area the minister recognised needed strengthening. Challenged on her party's snubbing of British farmers through recent transatlantic trade deals, Ms Coffey assured the floor that a fair approach to trade will be at the forefront of her party's economic strategy in the future. Finally, Ms Coffey was at pains to appease those concerned about land-use that "our long-term vision has to be about keeping food production as the primary purpose of farming".

## LABOUR PARTY CONFERENCE

The NFU chaired another of their successful fringe events at the recent Labour Party conference, where representatives had the opportunity to challenge Shadow Defra Secretary, Steve Reed MP, on Labour's commitments to farming and food production.

His key messages were as follows:

- Food security is synonymous with our national security.
- The onerous red tape and protocols as a result of Brexit will be drastically reduced.
- Any future trade deals will ensure British farmers are not disadvantaged.
- 50% of government-procured food will come from British producers.

Labour has made regular commitments to 'greater access to the countryside', although failed to clarify what this would look like in a practical sense.

Ultimately, Mr Reed reminded the floor of Labour's success in the countryside in the late 1990s and reassured the floor of the Party's commitment to supporting rural communities.



# MARKET UPDATE

Since the last update in May, it would be fair to say that markets have continued to be volatile, however within a narrower range. Back in May, November '23 futures opened up at £195/t and have reduced to £183/t as of 13th October. Dissimilarly, November '24 futures opened at £191/t in May and are now at £198/t.

Firstly, old crop ex-farm prices are now below £180/t, with many farmers finding it a hard sell. Costs of production will vary vastly across farms for harvest '23 due to the volatility in fuel and fertiliser prices. Making several assumptions regarding variable costs; seed at £100/ha, fertiliser at £2/kg N therefore £400/ha, and sprays at £250/ha; it will have cost c.£750/ha to grow a crop of winter wheat. Assuming fixed costs at £600/ha, total input costs/ha will be c.£1,350/ha and make the cost of production of an 8t/ha crop at £168/t, and £135/t for a 10t/ha crop. Regardless of the numerous caveats, the essence is this: all crops grown for harvest '23 have been more costly than any preceding year. As mentioned, the struggles of growing break crops this year will predominantly result in break-even gross margins and negative net margins (per crop).

Looking at the below table gives a pretty stark reality of how prices have changed in the past year, with wheat and oilseed rape falling by >£100/t and >£200/t, respectively. Positive takeaways from harvest '23 have been for those growers who have managed to achieve quality in milling wheat and malting barley, as these premiums have been incredibly attractive over the last few months. One thing to be mindful of is the carry to May and the importance of fixing contracts for the sake of movement if not to commit to price.

Solace can also be found in looking forward. Many farmers will have locked in a proportion of fertiliser for harvest '24 at c.£1/kg N. Although not at the levels of pre-2022, this is a welcome relief and hopefully paves the way to some form of normality going forward.

ARABLE (£/T)	A YEAR AGO	NOV 2023	NOV 2024
<b>MILLING WHEAT</b>	£316ex	£240ex	£220ex
<b>FEED WHEAT</b>	£271ex	£165ex	£185ex
<b>FEED BARLEY</b>	£246ex	£155ex	£160ex
<b>MALTING PREMIUM</b>	£40/t	£80/t	n/a
<b>OILSEED RAPE</b>	£570ex	£340ex	£350ex
<b>BEANS</b>	£295ex	£225ex	£220ex

Source: Merchant East Anglia ex. farm bids (as of 15th October 2023)

# GRANTS & RURAL PAYMENTS



## COUNTRYSIDE STEWARDSHIP SCHEME (CSS)

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Application for Mid-Tier and Wildlife Offers as we know them have now closed. We are still awaiting further guidance and the specificities around Countryside Stewardship Plus, which will reward farmers for taking coordinated action, working with neighbouring farms to support climate and nature aims.

## CSS – CAPITAL ITEMS

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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. 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.

Ceres Rural has worked with a number of clients over the past eight months to secure funding through a Countryside Stewardship Capital Grants application. In many cases, these have been large-scale infrastructural improvements to assist the farm in achieving its environmental and efficiency goals. The applications have been compiled in a short period of time, with agreement offers made swiftly after submission. We have developed a strong working relationship with the Catchment Sensitive Farming Officers from Natural England, who offer their expertise and approval on these projects.

# SUSTAINABLE FARMING INCENTIVE (SFI)

In June, Defra unveiled its plans for the new-look 2023 Sustainable Farming Incentive (SFI). The headlines from this announcement were as follows:

- Existing agreements are to be severed, with a 6-month notice period being served for agreements ending.
- The existing Soil Standards in the 2022 SFI have been amended, with the payment rate being significantly reduced to £5.80/ha and £95.00 per agreement.

## ELIGIBILITY

You can enter land into an SFI agreement if it's in England and:

- you were a Basic Payment Scheme (BPS) eligible farmer on either 16 May 2022 or 15 May 2023
- you expect to have management control of the land for the duration of the three-year SFI agreement, including land you occupy under a tenancy on a 'rolling' year-by-year basis
- it's eligible for the SFI actions you choose.

You can enter land that's used for other government schemes and funding sources into an SFI agreement if:

- you and your land are eligible for each scheme or funding source
- the activities or outcomes you're being paid for are compatible
- you will not be paid twice for a similar activity or outcome on the same area of land at the same time (known as 'double funding').

## SFI AGREEMENTS

- SFI applications are now open for some businesses who expressed early interest in the scheme.
- An SFI agreement lasts for three years from its start date. It can be 'upgraded' annually to add more actions and eligible land.
- It will be possible for you to vary the coverage of rotational actions, so they work with your crop rotation and different sizes of land parcels. This means that in the second and third years of your agreement, you'll be able to do the action on:
  - a larger area than you entered into the action for the first year of your SFI agreement.
  - a lower area, as long as it's at least 50% of the area you entered into the action for the first year of your agreement – for example, if you enter 10ha into a rotational action for the first year, you can decrease that area to 8ha for the second year and then either keep it as 8ha for the third year, or increase it again.



# FREE BUSINESS ADVICE

## FUTURE FARMING RESILIENCE FUND (FFRF)

If you have any questions about how the above topics could apply to your business, from implementing a new SFI scheme to calculating your carbon footprint, Ceres Rural is able to help free of charge, thanks to the Defra Future Farming Resilience Fund (FFRF).

The funding scheme has entered its second year, which runs until 2025, meaning we continue to be able to carry out a range of consultancy services, guiding you through the main opportunities and challenges to consider, and helping you identify how to adapt your business to maximise its resilience in the new era.

Our diverse 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 750 farm businesses in this round of the FFRF. The feedback is overwhelmingly positive – in a recent survey of participants:

- 80% agreed that their report supported them to be confident in making decisions during the Agricultural Transition
- 73% said it enabled them to improve their farming business
- 96% of respondents have made, or will make, changes on farm thanks to the report. The most popular changes cited are entering a new environmental scheme and applying for a new grant.

To understand more, you can read about how our free business advice is helping a Kent arable operation with its plans for a sustainable future: [here](#), or just watch the video: [here](#).

# HEALTH & SAFETY

Statistics published by the Health & Safety Executive on 27th OCTOBER 2023 recorded 12 fatalities in agriculture in the calendar quarter from April to June. This compares to four fatalities in the same period last year and with 27 deaths in all industries, means that agriculture accounted for 44% of the total in the three-month period. With many farms and estates currently busy lifting sugar beet, concluding autumn drilling, and housing livestock for the winter, there will soon be an opportunity to reflect on another busy season, bringing health and safety sharply into focus.

With sugar beet lifting underway, health and safety should be discussed with staff and contractors. Identify safe points of access and egress to and from fields. Check the minimum height of overhead power lines in relation to the maximum working height of harvesters. Assign firm, well-drained and level ground away from rights of way for clamp locations, where lorries can be loaded without danger to members of the public. The loading site must have good access and be situated more than 200m away from bends in the road, more than 100m away from roundabouts, and more than 10m away from overhead power lines.

As arable businesses conclude their autumn drilling campaigns, now is an opportune moment to ensure health and safety policies remain current and fit for purpose. Risk assessments and safe systems of work should be reviewed. Training (including refresher training) requirements should be identified and scheduled for the winter months. Machinery servicing and maintenance should not only be undertaken but also recorded. Fire fighting and first aid equipment should be examined, restocked and replaced if necessary. Personal protective equipment should be replenished. A tour of farm yards, buildings, fixed equipment and machinery with someone from outside of the business often gives the benefit of a fresh set of eyes and ears, highlighting areas where improvements can be made towards compliance and best practice.

Every year, deaths and injuries result from housing livestock for the winter, often caused by factors including poor equipment, ineffective methods of moving cattle, and underestimating the strength, speed or behaviour of animals. Risks of injuries arise from crushing, kicking, butting or goring. When housing livestock, consider the person (including their mental and physical abilities, training and experience), the equipment (including races, crushes, loading facilities and bull-handling equipment), and the animal (including its health and familiarity with being handled). [HSE Information Sheet AIS35](#) provides guidance on handling and housing cattle, all work should be discussed and carefully planned before it begins.



# DATES FOR THE DIARY

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- IAgM Conference – 7th November
- Farm Business Innovation Show – 15th to 16th November
- Agri Technica – 12th to 18th November
- CropTec – 29th to 30th November
- CUPGRA Potato Growers Conference – 12th to 13th December
- Oxford Farming Conference – 3rd to 4th January

## GET IN TOUCH

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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, George Catchpole, via the details adjacent.



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