

# NFU

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# What is the NFU?

- Trade association for farmers in England and Wales
- 55,000 members in 46,000 businesses
- Roughly 3,000 of these in devon

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# Sectorial price snapshot

Commodity Prices	May 2020 prices	% change from 3 months ago	% change from 12 months ago	% change from 24 months ago
Milk (ppl) – April 2020	27.6	-4.2%	-2.1%	0.7%
Deadweight pigs (p/kg)	161.5	1.0%	13.6%	11.0%
Feed Wheat (£/t)	152.3	2.4%	-1.0%	-0.5%
Deadweight sheep (p/kg)	509.7	-2.1%	7.4%	-10.7%
Deadweight cattle (p/kg)	334.3	0.0%	-4.0%	-8.8%
<i>Source: AHDB (Figures may not add up due to rounding).</i>				

- The UK average farm-gate milk price for April was 27.60 pence per litre. This is a 4.2% decrease compared with three months before, and a 2.1% decrease from the same month last year. Although, over two years the price has increased slightly by 0.7%.
- Growth in pig prices has been strong particularly for the medium to longer term in contrast to the other commodities. Prices increased by 13.6% in the last year and by 11% over the last two years.
- Feed wheat prices in the medium to longer term have fallen by 1% and 0.5% respectively. But prices in the short term (3 months) indicate an increase of 2.4%.
- Deadweight sheep prices have declined significantly (-10.7%) when compared to two years before, while prices appear better than last year by 7.4%. Prices in the last three months are portraying a similar trend to the longer-term.
- Deadweight cattle prices have also seen a considerable fall over the last two years, by 8.8% and by 4% in the last year. Though prices have been stable in the short term.

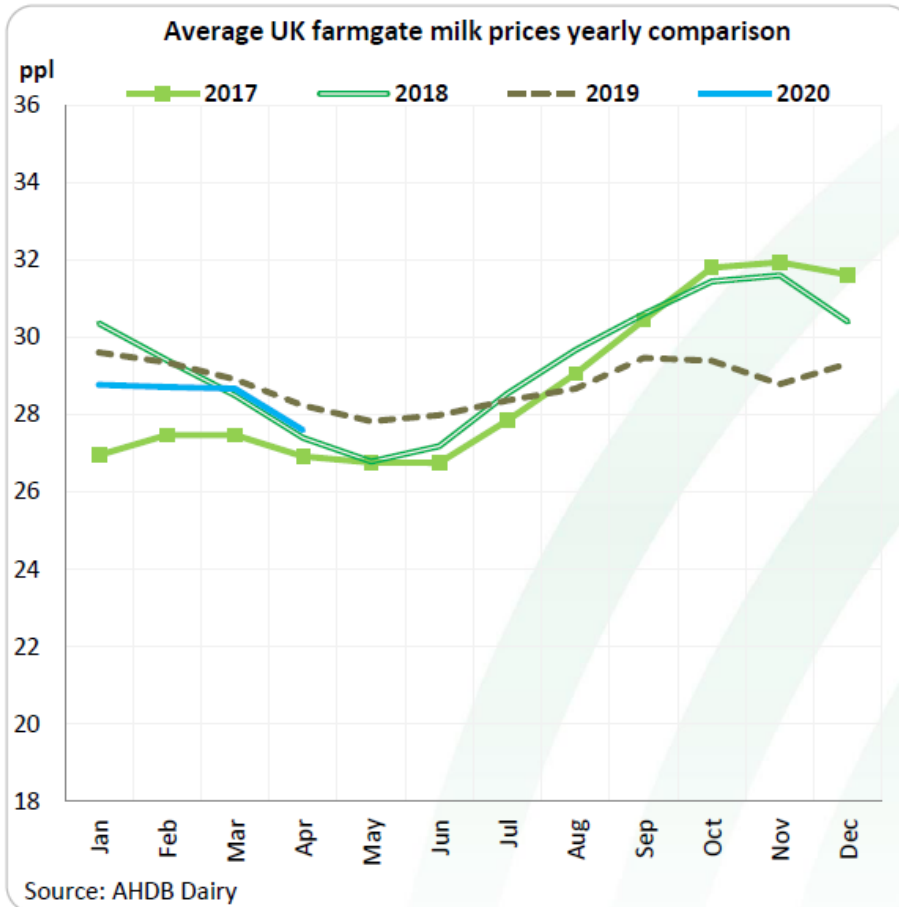
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# UK farm gate milk prices



- The average UK farm gate milk price for April 2020 was 27.60 pp/litre according to Defra. This represents a 3.7% (1.07 ppl) decrease on March 2020 and a 2.2% decrease on the same month last year.
- The April figure captured the impacts of the first full month of lockdown due to coronavirus. AHDB estimate that 57% of dairy farmers suffered a milk price reduction this spring. Price cuts have ranged from 0.5ppl to 4ppl and higher. The greatest financial impact on dairy farmers has been from the reduction in milk prices, with the impact in April alone estimated at £7 million.

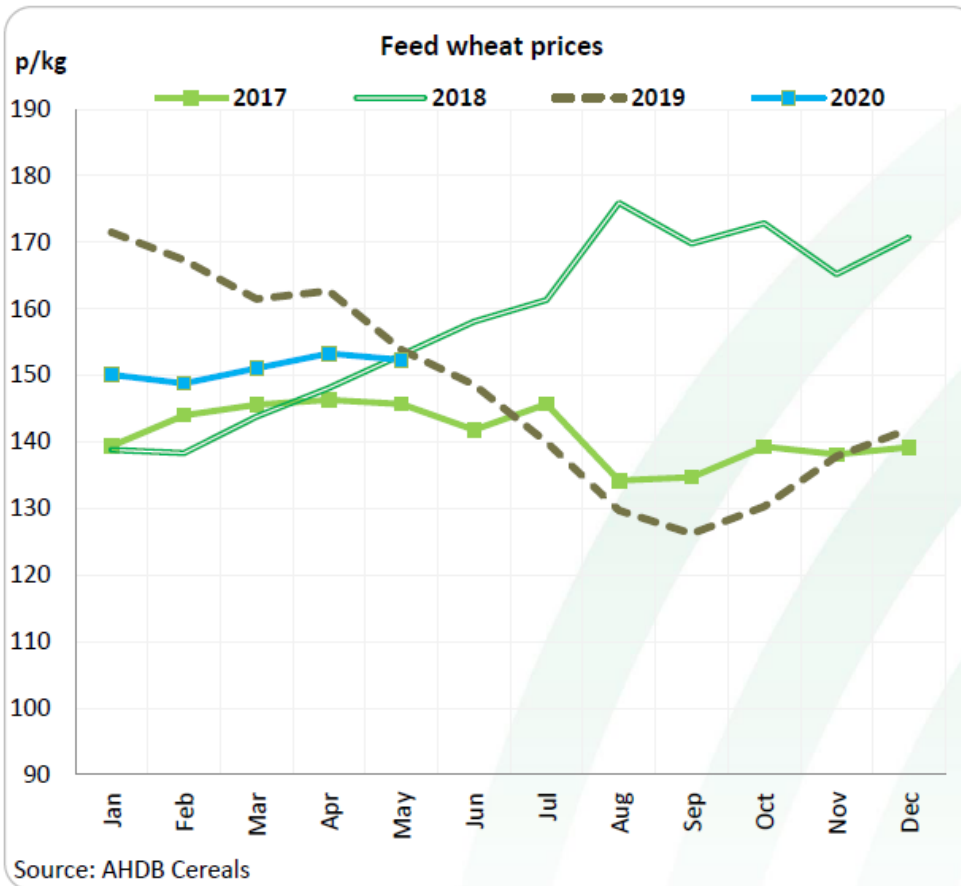
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# Grain prices



- Ex-farm feed wheat prices averaged £152.3p/kg in May 2020, a decrease of 0.7% from the previous month. Although the price is 1.5% higher compared to the start of the year in January 2020. Compared with the same month a year before prices are 1% lower.
- The COVID-19 pandemic and subsequent 'lockdown' measures has had an impact on UK cereal demand since end of March and is expected to continue to have an impact for the remainder of the 2019/20 season as reported by AHDB. Despite a decline in animal feed demand during the last quarter of the season, cereal usage in animal feed is expected to increase over the whole season. This is driven by an overall rise in pig and poultry demand, as well as a rise in barley and oats fed on farm compared with 2018/19.
- AHDB supply and demand estimates indicate higher UK wheat supplies and relatively stable demand has led to a heavy wheat balance at 4.6 million tonnes (2.2 million tonnes higher than in 2018/19). Despite an increase in exports, closing stocks are set to increase substantially (78% higher than in 2018/19) to 3.4 million tonnes.
- AHDB analysis shows season to date (Jul-Apr), GB animal feed production was up 5.8% for pigs, 3.2% for poultry, but down 5.6% for cattle and calves and 6.3% for sheep compared with season earlier levels. In April 2020, GB animal feed production was up 3.7% for pigs and 1.3% for poultry. It was relatively unchanged for cattle and calves (+0.3%) and down 2.2% for sheep compared with April 2019.

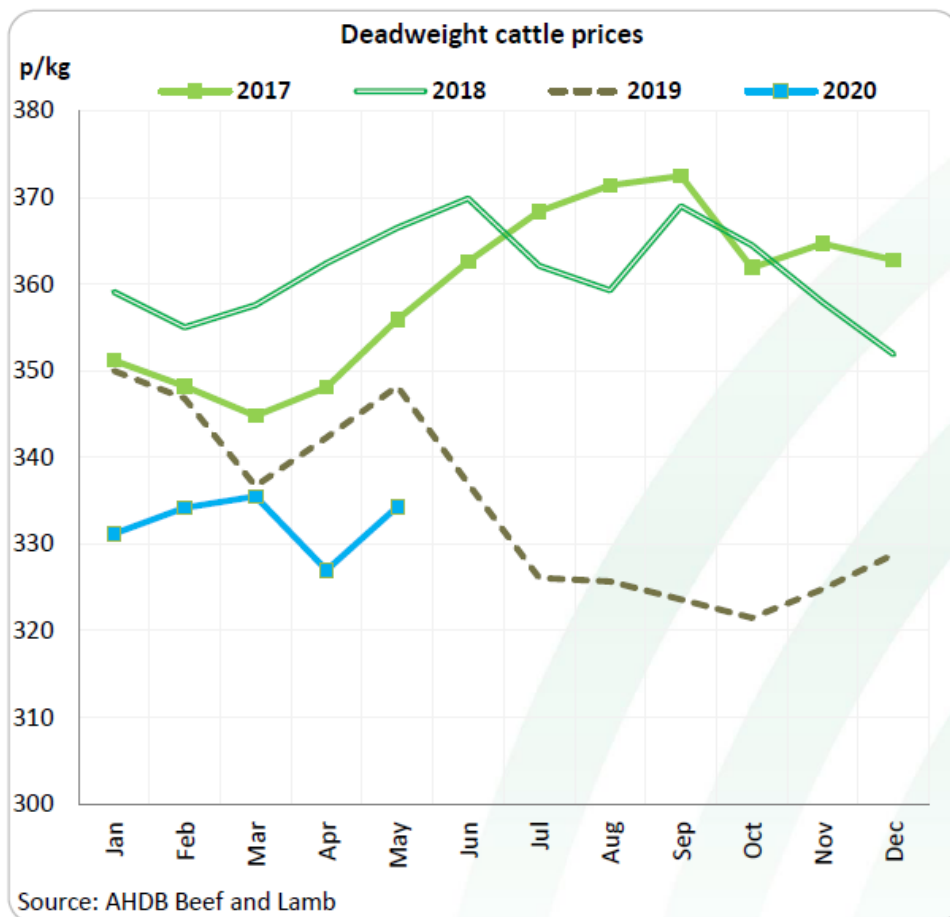
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# Cattle prices



- The UK prime cattle price was 334.3p/kg on average in May. This is 2.2% lower compared to the previous month a drop of 4.0% from year earlier levels according to official data by AHDB.
- Weekly data from AHDB shows that GB cattle prices over the last few weeks have been picking up. The GB all-prime average price posted a more modest 2.1p increase on the week to 360.5p/kg, following larger rises in recent weeks. Prime cattle supplies have picked up slightly, attracted by the higher prices, but also perhaps by farmers looking to take the pressure off available grazing. Prime slaughter in British abattoirs was estimated to be 35,250 head, 500 more than last week, and 2,600 head more than the same week last year.
- According to Defra statistics, UK prime cattle (steers, heifers and young bulls) slaughterings in May 2020 were down 12% on May 2019 at 156,000 head. Beef and veal production was 68,000 tonnes, 13% lower than in May 2019. This is the lowest May production figure in four years. Lower production was largely due to fewer slaughterings of both prime animals and cull cows. Carcase weights were also slightly lighter when compared to May 2019.

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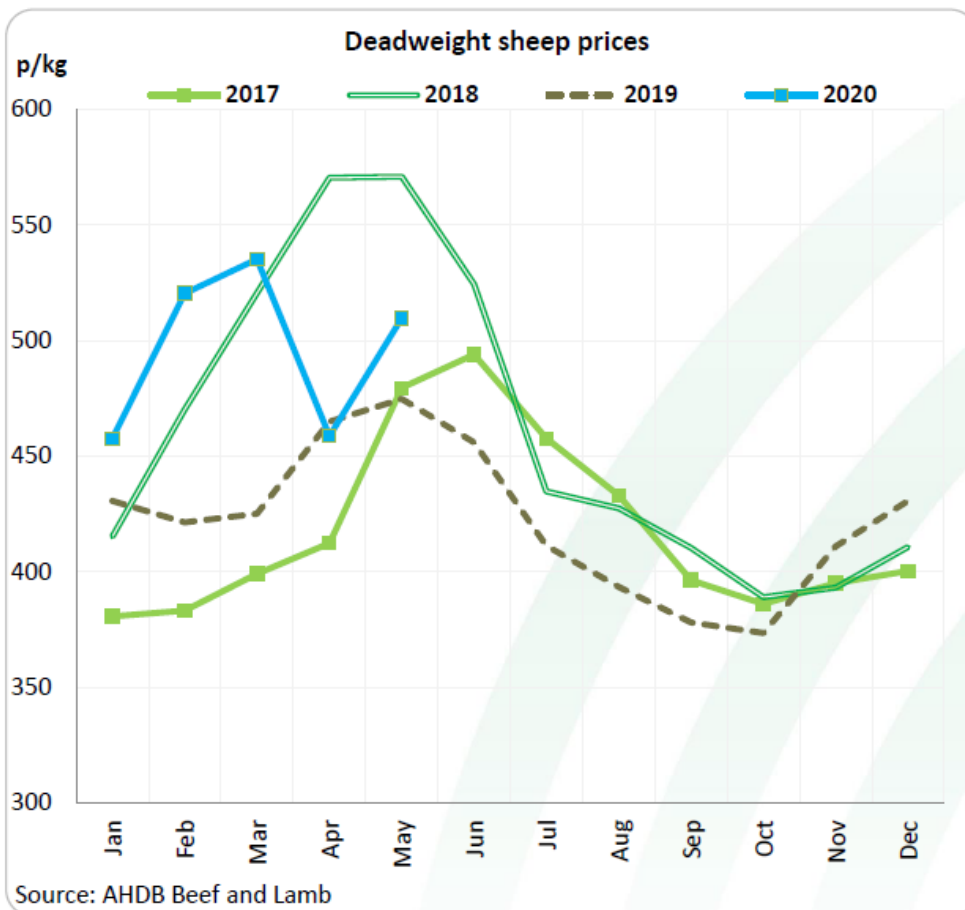


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# Deadweight sheep prices



- The average UK deadweight sheep price in May 2020 was 509.7p/kg, 11.1% higher than the previous month (April) and 7.4% higher compared with year earlier levels when the price averaged 474.7p/kg.
- Weekly data from AHDB indicates the GB liveweight NSL SQQ gained 12p, to 226.64p/kg. Industry reports suggest supplies were below demand, which is supported by the fact throughputs for the week were low at 90,600 head. Reports suggest there is currently demand for all weights. Overall pressure on the market is likely to remain though as the number of lambs available for kill increases in the coming weeks.
- Defra statistics suggest lamb kill production in May had many of the same trends as in April and Covid-19 is partially behind the decline. UK clean sheep slaughterings were down 22% on May 2019 at 766,000 head. Mutton and lamb production was 18,000 tonnes, 26% lower than in May 2019. The available number of lambs was also under pressure during the month, with poor grass growth limiting finishing. Carcase weights were down 300g, to 20.3kg.

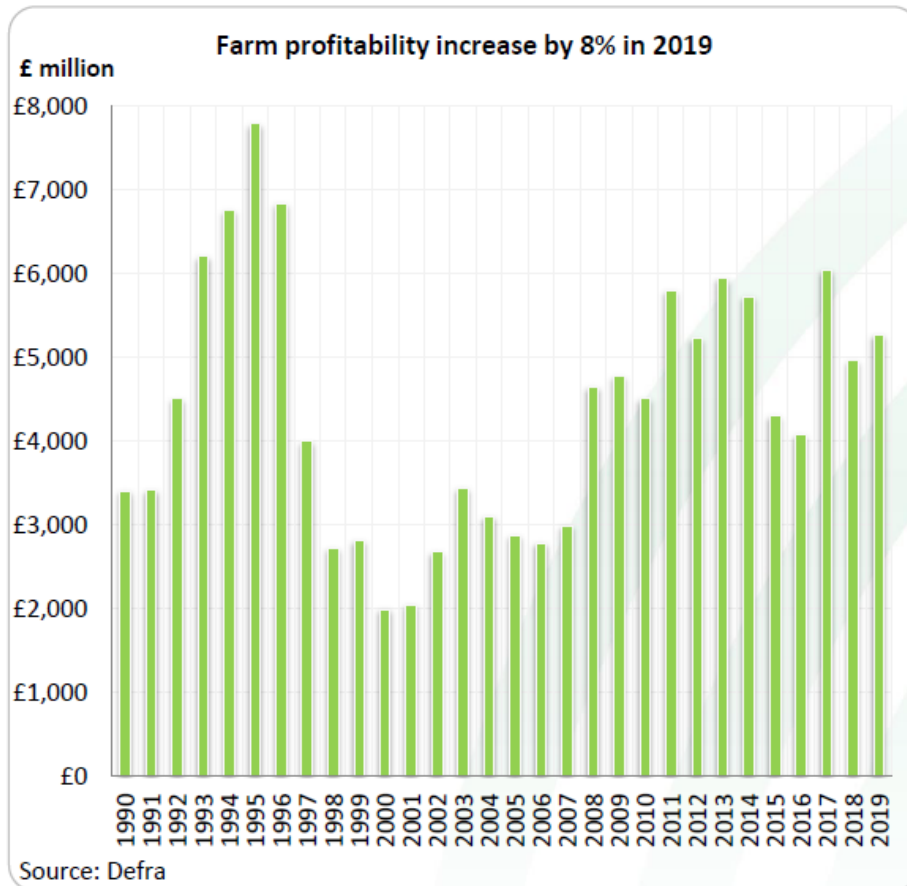
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# Total Income from Farming



- Defra has released the first estimate of Total Income from Farming (TIFF) for the United Kingdom for 2019.
- Total Income from Farming is the total profit from all UK farming businesses on a calendar year basis. It measures the return to all entrepreneurs for their management, inputs, labour and capital invested.
- Total Income from Farming in 2019 rose from 2018 by £398 million (8%) to £5,278 million. Agriculture contributed £10,408 million or 0.53% to the national economy (Gross Value Added), an increase of £633 million (6%) on the year.
- The main driver for the increase is the high levels of crop production, particularly for cereals. Weather conditions were generally more favourable in 2019, with higher yielding crops boosting the value of crop output by 6% to £10 billion, despite lower commodity prices. Total input costs remained stable.

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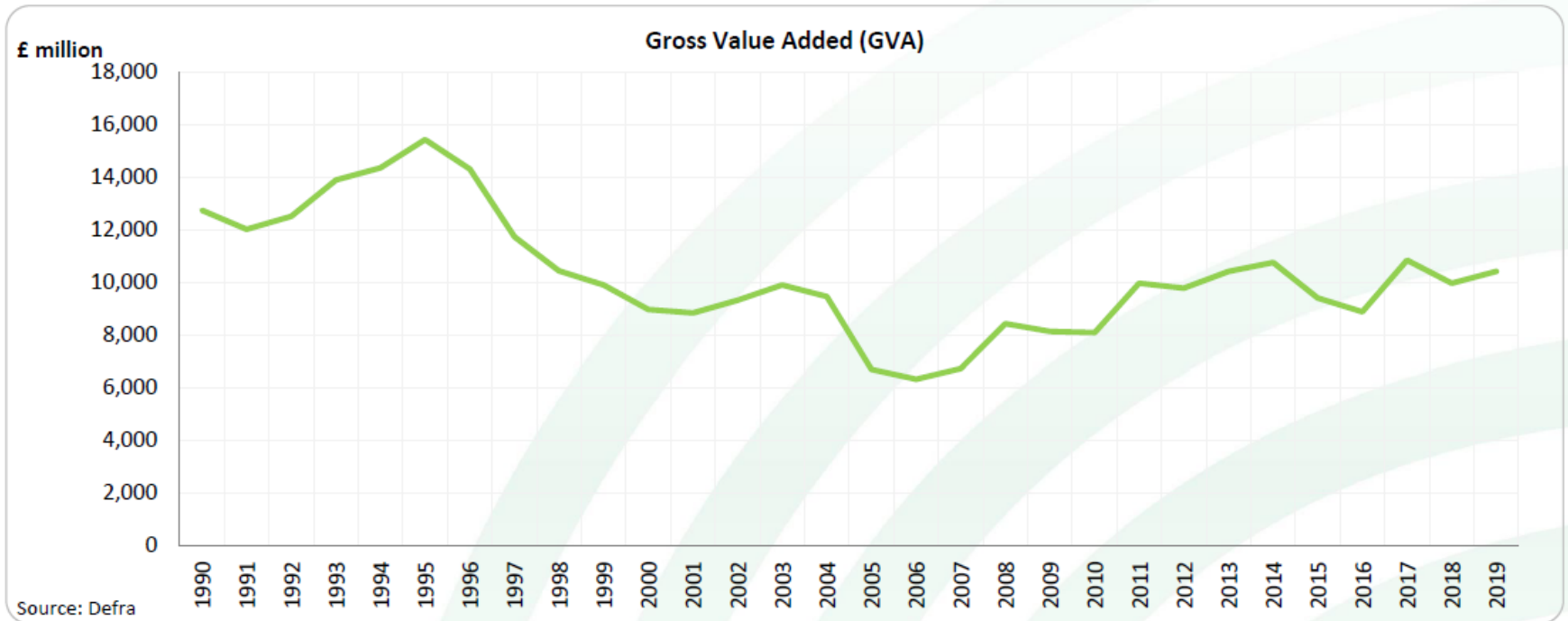


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# Agriculture's contribution to the economy



- The UK farming industry's contribution (measured through Gross Value Added (GVA)) to the national economy increased in 2019 by 6% to £10.4bn.

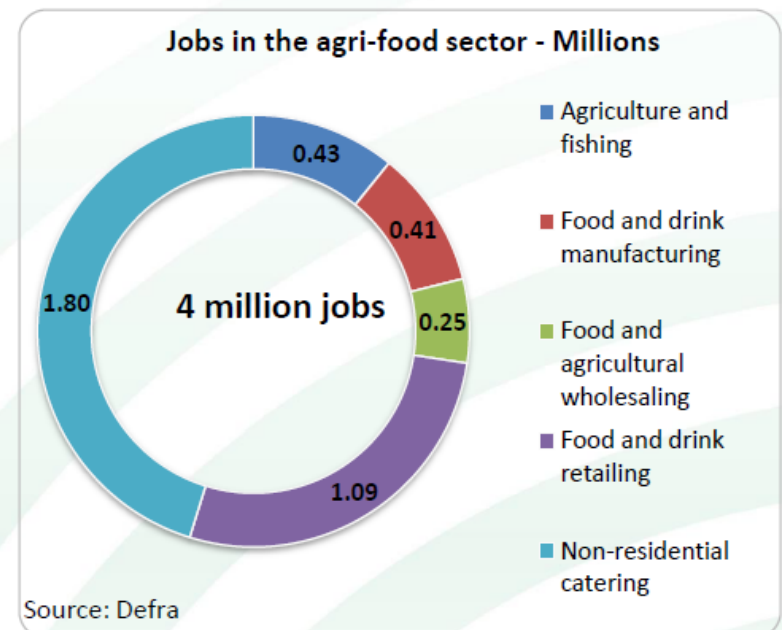
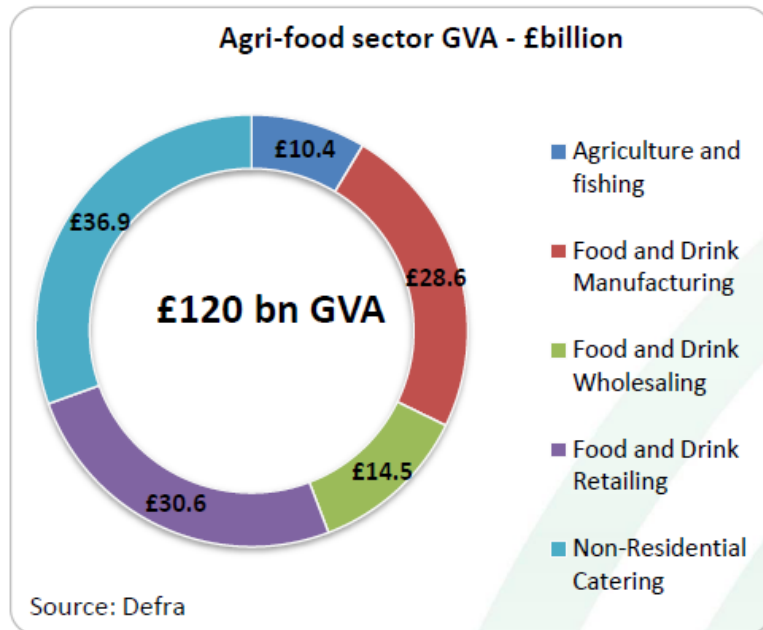
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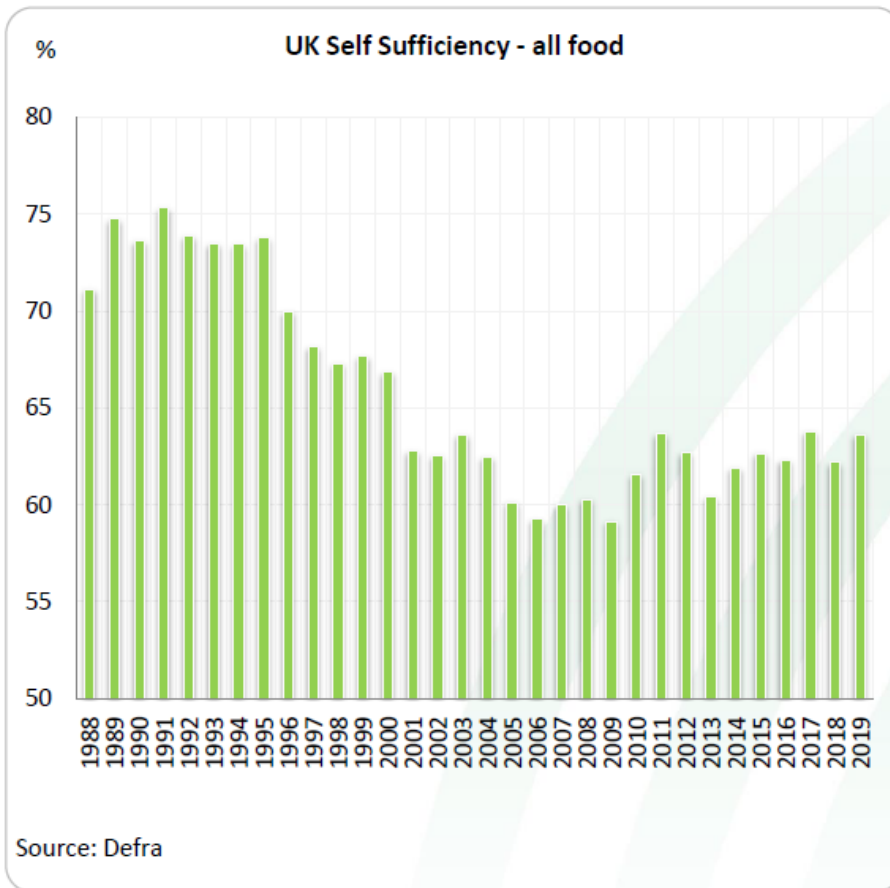


# Agri-food sector: a driving force behind economic growth



- Collectively, the agri-food sector is worth £120.0 billion, the equivalent of 6.3% of total UK GVA.
- This is larger than car and aerospace manufacturing combined.
- In addition, 13% or 4 million (Q4 2019) of all UK employees work in the sector.

# UK self sufficiency



- Self-sufficiency captures a sense of how UK farming is performing on its home turf. It's a yardstick for measuring how competitive we are and how much we produce. There will always be a proportion of food that we just can't grow in the UK because we haven't got the natural conditions to grow them.
- Self-sufficiency declined steadily for many years, reaching a low of 59% in 2009. Since then it has stabilised and there are even signs of a slow upward trajectory. UK self-sufficiency is currently at 64% (measured 2019).

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# Sector self-sufficiency

Self-sufficiency by commodity	2000	2005	2010	2019	+/- 2000 vs 2019
Total cereals	113%	103%	112%	100%	96%
Wheat	118%	110%	118%	103%	99%
Barley	137%	115%	121%	124%	127%
Oats	119%	99%	109%	104%	107%
Oilseed rape	83%	107%	105%	109%	86%
Sugar beet & sugar	71%	71%	55%	55%	61%
Fresh vegetables	71%	60%	59%	55%	53%
Potatoes	87%	85%	85%	71%	68%
Fresh Fruit	10%	10%	12%	18%	16%
Beef and veal	79%	74%	83%	80%	86%
Pigmeat	70%	48%	52%	62%	66%
Mutton & lamb	98%	90%	92%	93%	109%
Poultrymeat	89%	88%	88%	87%	91%
Milk (liquid)	103%	104%	103%	104%	106%
Butter	93%	88%	87%	84%	93%
Cheese	113%	103%	112%	100%	96%
Hen eggs	118%	110%	118%	103%	99%

Source: Defra

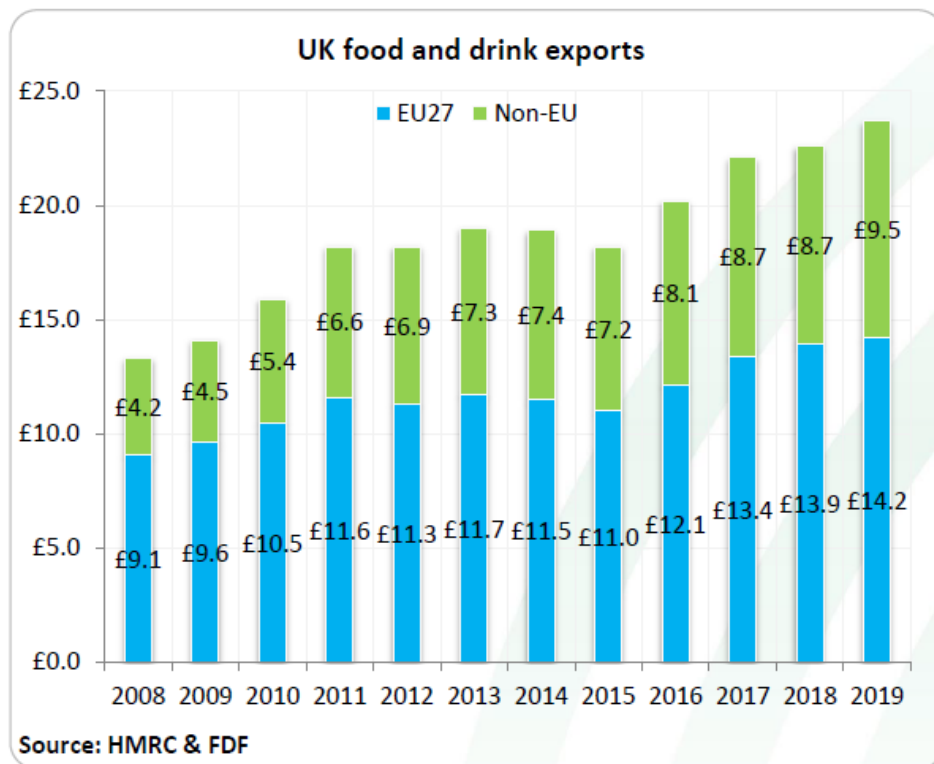
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# UK food and drink exports



- Figures released from the Food and Drink Federation show an increase in UK food and drink exports (including alcohol), up 4.3% (y-o-y) to £23.6bn in 2019.
- Export growth to EU markets was up 1.5% to £14.2bn in 2019, however the EU share of exports fell from 61.4% in 2018 to 59.9% in 2019. Conversely the share of exports to non-EU markets increased to 40.1% in 2019, totalling £9.5bn.
- The top three export markets were Ireland, USA and France.
- The food and drink trade deficit narrowed by 3.0% in 2019, standing at -£23.4bn.
- The overall value of exports has increased from £13.3bn in 2008 to £23.6bn in 2019.

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# What are the big issues now:

- Brexit
  - Agriculture Bill
  - Trade Bill
- Net Zero
- Veganism



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# What can you do?

- Look for the Red Tractor and buy British and local food!
- Become a supporter of our work
- Become an NFU Countryside member

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# Thank you

**FARMING** IS THE **BEDROCK** OF THE **FOOD AND DRINK INDUSTRY**  
**THE UK'S BIGGEST MANUFACTURING SECTOR** 

UK FOOD  
AND   
FARMING  
EMPLOYS **3.8**  
 **MILLION PEOPLE**

**30,000 KM**  
**OF HEDGEROWS**  
HAVE BEEN PLANTED AND CARED FOR BY  
**FARMERS** PROVIDING FOOD AND SHELTER   
 **FOR WILDLIFE**

PRODUCING  
QUALITY  
**GREAT  
BRITISH  
FOOD**

FARMERS HAVE PLANTED  
**10,000**  
FOOTBALL PITCHES WORTH OF  
FLOWER  
HABITAT   
CREATING HOMES FOR BEES



UK FOOD AND FARMING IS WORTH  
**£109 BILLION**

Find out more: [www.nfuonline.com/back-british-farming](http://www.nfuonline.com/back-british-farming) #BackBritishFarming

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