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Politics and Brexit

Prime Minister calls General Election

Theresa May has announced a snap general election which is scheduled to take place on Thursday 8th June. The announcement has come as a surprise to many and details are only beginning to emerge as *Inside*Track goes to print. With Labour trailing badly in opinion polls, it is an opportunistic move by the Prime Minister who is keen to consolidate the Government's mandate ahead of the Brexit negotiations. However, there are risks. If the past year has proved anything, it is that one cannot depend on opinion polls.

Whilst it is likely that the Conservatives will gain a stronger majority, a 'Brexit backlash' cannot be ruled out in some constituencies, especially in the vicinity of London. This bodes well for the Liberal Democrats but they are a long way short of threatening the Conservatives' position. What all this means for agriculture and the Brexit negotiations is unclear but it will could well have a major influence on both in the months ahead.

Article 50 is triggered

The Government confirmed officially on 29th March that the UK will be leaving the EU. In a letter to the President of the European Council, Donald Tusk, Theresa May notified him of her intention to withdraw the UK from the EU under Article 50 of the Treaty. In her letter, Mrs May emphasised her desire to agree a "bold and ambitious" Free Trade Agreement with the EU, downplaying the suggestions that the Government was prepared to accept the "no deal is better than a bad deal" default of World Trade Organisation rules. The soft, emollient tone of the letter, vastly different to the public posturing at home, suggests that reality is starting to bite. The difficult trade-offs - such as the free movement of goods versus the free movement of people - will now have to be played out and explained fully to the British voters as the process of withdrawal and the negotiation of a 'hard' Brexit begins.

Mr Tusk responded by saying that that the EU's own negotiating guidelines would be discussed at a summit of European leaders on 29th April. He produced an early draft of the guidelines, which confirms the EU view that the withdrawal agreement needs to be largely completed before meaningful discussions over the future trading relationship can take place. The Prime Minister has said that the two can be discussed concurrently, but the EU's chief negotiator, Michel Barnier, has stated he will not enter negotiations on a future trade deal until the "divorce" settlement, including a hefty bill, has been largely agreed. Reality biting again.

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Now that the UK has ‘notified’ the EU of its intention to withdraw from membership, the formal negotiations can begin. Barnier, a former French agriculture minister, will negotiate the withdrawal agreement with the UK. The April European Council summit will take place without the UK and it is hoped that at the June summit, which will include the UK, that the EU and UK might agree the initial parameters of the negotiations. During the negotiations the UK will continue to participate in EU activities, the EU institutions and decision-making. But it will not take part or vote in any Council or European Council discussion concerning its withdrawal.

According to Barnier’s stated schedule, this would then leave only six months to the end of the year for an outline agreement to be made, and he is likely to focus on the ‘divorce bill’ which the UK will have to pay. From this point, the withdrawal agreement will be concluded by the EU Council by a 'super' qualified majority (72% of participating states, excluding the UK) after obtaining the consent of the European Parliament. Barnier is hoping that the agreement will go before the European Parliament by autumn 2018.

All other things being equal, the UK will be leaving the EU, and UK farmers leaving the CAP, on 28th March 2019. Over the course of the coming months we will start to get a firmer feel for the likely outcomes of the Brexit negotiations and what the future of farming policy in the UK could look like. With key elections in France (May) and Germany (September), progress will be slow this year but at least the clock has started ticking down the 104 week withdrawal period.

Agriculture Bill in 2018?

The Secretary of State for Exiting the EU, David Davis, published a white paper on the Great Repeal Bill the day after Article 50 was triggered. The Bill – which will be formally presented to Parliament following the Queen’s Speech in May - will seek to ‘restore sovereignty’ to the UK Supreme Court by transferring all European law into UK law in one fell swoop. This is why it is often referred to as the “cut and paste” bill. The UK Parliament will then have the power to amend legislation gradually once we have left the EU.

The Government has made clear in its White Paper that it is not intending to make major changes to existing EU law or policy through the Bill. Instead, the purpose of the Bill is to provide legal certainty and stability at the point of Brexit, providing the opportunity to amend legislation and regulation post-Brexit. Furthermore, it will help align regulatory standards with the EU to facilitate an EU/UK free-trading relationship.

While Agriculture is only mentioned twice in passing in the white paper, other Bills will follow which will focus specifically on issues affecting agriculture, such as immigration (seasonal labour from the EU) and customs arrangements (for trading agricultural products, see more below). An Agriculture Bill is also likely although was not signalled in the white paper.

The Bill will then be introduced for parliamentary debate (and possible amendments) in the Queen’s Speech expected in May, then becoming law on the day we leave the EU (i.e. from 00:01 on 29th March 2019, barring any extensions to the Brexit negotiations).

Customs: the next computer debacle

The ‘frictionless’ trade arrangement that is May’s objective post-Brexit will depend as much on the UK’s own customs arrangement as those of the EU. The processing of freight through Dover is worth examination in this regard: Over 10,000 lorries/day go through Dover with very few delays, due to the EU Single Market, but it is a different story for the 500 lorries that arrive from non-EU countries. Drivers with non-EU goods have to fill in forms which are input into the Customs Handling of Import and Export Freight (CHIEF) logs; a process which can take up to a couple of hours.

CHIEF is due to be replaced by a new system in time for Brexit in March 2019 but Andrew Tyrie, chair of the Treasury select committee, suggests that the new system may fail. If it does *“much trade could be lost”*.

NFU’s national agricultural policy

According to the NFU, a new agricultural policy should be formed post-Brexit around three corner-stones:

1. Productivity measures and business resilience;
2. Volatility mitigation measures and risk management tools; and
3. Environmental measures.

The policy stresses that farming should maintain current levels of public investment in future, but recognises that this may be delivered in different ways, directly or indirectly to farmers, for instance through fiscal incentives, environmental schemes or ensuring farmers benefit from cutting edge developments in R&D.

The NFU paper makes clear that the detail of the policy, and the degree of blending between the three cornerstones, will depend on the type of Brexit deal obtained by the Government. If the Government gets a good free trade deal with the EU and major non-EU countries which do not disadvantage UK farmers, and do not restrict agriculture’s labour needs, then it claims that it would seek an ambitious policy focused on productivity and resilience. If, however, we get a bad deal which increases price volatility, the NFU’s policy is to demand direct payments to mitigate farm income volatility.

This is a long way round of saying that the NFU will be lobbying for the maintenance of direct payments post-Brexit.

Crop Markets

Abstract:

• Early spring planted crops performing well, insufficient moisture affecting some later drilled spring crops.
• UK old crop prices are performing well, but milling wheat premiums are lower.
• Global production continuing to rise in 2016/17, but wheat supply projected to fall in 2017/18 in reaction to low prices.
• Coceral forecasts slight rise in EU soft wheat area (0.6%) but barley to decline by 0.7%. The EU maize crop area up by 2.2%.
• Ireland’s agri-food imports from UK estimated at €3.7 billion in 2016.
• 2017 UK potato area (137 Kha) projected to be similar or slightly below 2016. Those hoping for a third high priced season in a row might be disappointed.

UK arable market outlook

Those in the UK who decided to plant their spring crops early are mostly sitting comfortably on some well-established young plants. Some later drilled crops are lacking sufficient moisture for germination let alone establishment. This year is highlighting one problem of growing spring crops over winters. There is no ‘second bite at the cherry’ if conditions aren’t good first time round. Conversely, whilst autumn crops can, if needed, be postponed more easily, or even switched into springs, there are other demands and restrictions on them such as crowding of labour requirements at tight times of year.

UK old crop wheat prices are steady, but currently overvalued in Europe by a considerable margin, meaning overseas buyers are clearly favouring supplies from elsewhere. Export sales from the UK are going to be minimal at the moment and imports from elsewhere are also likely. In this situation, it won't take long before UK stocks start piling up again, which is bearish on price, thereby bringing the price down low enough to compete again. Old crop feed wheat values are a generous £10 per tonne higher than new crop so those still with some will be keen to sell before harvest. We note the corollary is of course true for those looking to buy grain.

The NABIM group 1 (bread) wheat crop production has more than doubled since its low in 2013, leaving surpluses in the UK. This has led to a sharp decline in milling wheat premiums to about £8/t for old crop, barely enough for farmers to take the risk of selling grain into the higher specification marketplace. Either much of this will be used for feed in coming years or, new export outlets need to be developed. Currently, the new crop premium is around £15/t, but until harvest, the total milling tonnage is unknown.

Old crop barley also has a keen premium over new crop, and incentives to sell before harvest are equal and opposite to the buyer's incentives to purchase new crop if possible. Feed barley has a £20/tonne discount to wheat, meaning its inclusion in rations is already high.

2016/17 world update

Global grain production continues to rise

Latest USDA estimates show further increases in world grain and wheat production for 2016/17. In comparison with last month, grain production is revised upwards by almost 5.5 Mt, with Brazilian maize production raised primarily due to a larger second crop area. Argentinian, Mexican and South African maize production is also higher. The first USDA forecast for the 2017/18 marketing year will not be due until May.

Total global grains supply & demand at 11 April 2017 (Mt)

	Output	Trade	Total use	Cl. stocks*
2014/15	2,514.59	394.16	2,454.96	579.45
2015/16 (Est)	2,458.57	377.12	2432.84	605.19
2016/17 Feb	2,557.40	406.13	2,543.41	617.24
2016/17 Mar	2,573.12	412.78	2,553.00	622.61
2016/17 Apr	2,578.58	413.12	2,555.41	628.26

*closing stocks Source: USDA

Wheat production is up slightly on last month's estimate. Closing stocks are 2.3 Mt higher, a near 30-year high, due to lower feed and residue use. Trade and consumption are projected lower with US consumption declining by 1 Mt.

Global wheat supply & demand at 11 April 2017 (Mt)

	Output	Trade	Total use	Cl. stocks*
2014/15	728.07	164.45	705.38	217.58
2015/16 (Est)	735.23	172.82	711.07	241.74
2016/17 Feb	748.24	178.99	740.40	248.61
2016/17 Mar	751.07	181.02	741.42	249.94
2016/17 Apr	751.36	180.68	740.84	252.26

*closing stocks Source: USDA

Higher production is also a feature of the oilseeds sector, with 2016/17 projections 5.4 Mt higher than last month. Although consumption is up slightly, most of the increase has been allocated to closing stocks.

In its March Prospective Plantings report, the USDA noted record soybean plantings, with area up 7% on last year, replacing the falls in wheat and maize. Low global grain prices have been a key factor in encouraging farmers to plant oilseeds this spring in their place. Soybeans accounted for 61% of global vegetable oilseed production in 2016 (and a third is produced in the US) so has considerable influence over all other oilseed prices. This helps to explain why new crop OSR prices, around the £300/t mark, are £50/t lower than spot bids we saw in winter. It's worth remembering though that this time last year, harvest 2016 OSR was quoted at £40 less than the current price.

World oilseeds supply & demand as at 11 April 2017 (Mt)

	Production	Trade	Total use	Cl. stocks*
2014/15	536.66	147.16	439.70	92.66
2015/16 (Est)	521.26	153.02	446.26	90.26
2016/17 Feb	554.19	160.98	468.52	91.67
2016/17 Mar	558.03	162.36	468.5	94.26
2016/17 Apr	563.42	164.74	469.36	99.56

*closing stocks Source: USDA

World prices declined in light of the USDA report. In Chicago, maize and soybean futures trended lower. Although currency has insulated the UK prices, abundant global supplies are a significant headwind and November 2017 feed wheat futures prices (£138/tonne) are around £3.50/tonne lower than a month ago.

US crop progress report

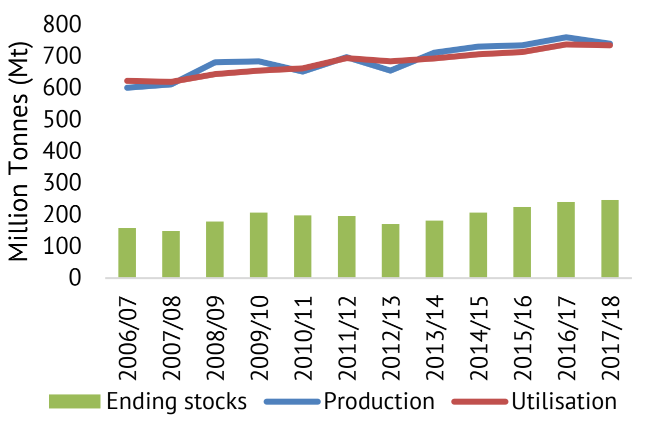
From April onwards, the US National Agricultural Statistics Service publishes weekly crop progress reports covering area planted, growth stage and an assessment of crop condition. The reports are useful, although caution needs to be exercised with earlier forecasts as there may not be a valid relationship with yield. For instance, crops in poor condition early on can recover to produce an above average yield.

The latest report published on 10th April, shows that spring wheat and barley plantings are behind the five-year average. Maize plantings are at five-year average levels although slightly behind last year. The percentage of the winter wheat crop rated as good or excellent is 53% which is equal to the five-year average for this time of year.

FAO 2017/18 forecasts

On 6th April, the FAO released its first forecasts for the 2017/18 cereals crop. It predicts that world cereals production will decline (by 9 Mt) to 2,597 Mt. Although this is only slightly (0.3%) below the 2016 record, 9Mt equates to nearly 41% of UK cereals production in 2016 (21.94 Mt). The FAO projects that nearly all of the decrease in cereals production will be attributed to wheat which is forecast to decline by 2.7% to just under 740 Mt. Price induced planting cuts, particularly in the US, Canada and Australia account for most of this decline but the FAO is also forecasting production cuts in Russia, Kazakhstan, and Ukraine. However, EU production is forecast to rebound strongly from poor harvests last year.

World wheat production, use and stocks, 2006/07 to 2017/18



Source: FAO

Conversely, the FAO is predicting record coarse grain production for 2017/18, estimated at over 1,353 Mt, driven primarily by higher maize output (1,051 Mt). Plentiful supplies of coarse grains will provide a cheaper alternative to wheat in animal feed markets. Accordingly, the FAO predicts that wheat utilisation will decline in 2017/18 whilst overall cereals utilisation will only grow slightly.

The fact that wheat supply is reacting to subdued prices shows that market forces are functioning as one would expect and should help to address the rising stocks trend in the long-term. Of course weather events and the fact that some major crops have yet to be planted could swiftly change market conditions in the coming months. However, for the foreseeable future it appears that abundant supplies will continue to curtail wheat prices.

Coceral crop area forecasts

COCERAL, the European association representing cereals, rice, animal feed, oilseeds, olive oil, oils and fats and agro-supply trade (the UK is represented by the Agricultural Industries Confederation), has produced a forecast of European cereals and oilseeds output based on area and yield estimates. Most of the production difference is due to a change in the yield estimate, so is highly speculative.

The forecasts suggest a slight increase in soft wheat area (0.6%) but barley is expected to decline by 0.7%. The EU maize crop area is projected to show relatively strong growth (2.2%) which is reflective of crop area trends reported elsewhere. Despite this, readers should exercise a degree of caution with the maize forecast because last year Coceral projected the 2016 maize crop area to be 9.33 Mha, but that 2016 figure has since been revised to 8.62 Mha – a significant change.

EU-28 cereals area, yield and production estimates for 2016 and 2017 harvests

	Soft wheat		Barley		Maize		Other	
	2016	2017	2016	2017	2016	2017	2016	2017
Area Mha	24.16	24.30	12.43	12.34	8.62	8.81	11.37	11.08
Yield t/ha	5.59	5.96	4.79	4.83	7.03	6.92	3.55	3.52
Production Mt	135.09	144.82	59.57	59.55	60.62	61.01	40.32	39.01
Area ch. (%)		0.6%		-0.7%		2.2%		-2.5%

Source: COCERAL

Coceral projects a 3.6% increase in total oilseeds area across the EU-28 for harvest 2017, however, OSR area is forecast to decline by 1.5%. Whereas, OSR *production* is expected to increase due to improved yields on 2016. However, as noted above, yield estimates are highly speculative at this stage.

EU-28 oilseeds area, yield and production estimates for 2016 and 2017 harvests

	OSR		Sunflower		Soybeans		Total oilseeds	
	2016	2017	2016	2017	2016	2017	2016	2017
Area Mha	6.53	6.43	4.06	4.29	8.24	8.78	18.83	19.50
Yield t/ha	3.15	3.26	2.01	1.94	2.93	2.90	1.65	1.63
Production Mt	20.53	20.96	8.15	8.34	2.41	2.55	31.10	31.84
Area ch. (%)		-1.5%		5.6%		6.6%		3.6%

Source: COCERAL

Export market profile: Ireland

This month, *Inside***Track** focuses on Ireland and below is a summary of its 2016 import statistics for a selection of agri-food products which shows its total imports from all countries and the UK's share. Ireland is heavily reliant on the UK for imports, which is the source of nearly half of its agri-food imports. For cereal products, the UK exports almost €660 million to Ireland, with bakery products (bread, biscuits, cakes etc.) accounting for more than half of this amount. Prepared cereals (e.g. Kellogg's, Weetabix etc.) are also significant with imports estimated at €111 million, as are wheat flour imports (€63.5 million).

Ireland Market Overview

Population (2016)		4.76 million
GNP per capita (2016)		€42,572
Irish Imports of Selected Products	**Total Imports**	**UK share (%)**
Animal food stuffs	€0.74 billion	34.8%
Cereal and cereal preparations' imports (2016)	€1.05 billion	62.9%
Fruit and vegetables imports (2016)	€1.21 billion	37.7%
Oilseeds & oleaginous fruit imports (2016)	€0.03 billion	49.6%
Sugar, sugar preparation & honey	€0.37 billion	38.7%
Total agri-food imports (2016)	€8.17 billion	45.7%

Sources: CSO, OECD

Of the total animal feed imports into Ireland (€740 million), the UK accounts for just over one-third of this (€258 million). With the exception of dog and cat food (€53 million), the majority of the UK's animal feed exports to Ireland are derived from arable agriculture in some form although it is difficult to discern the specific sources based on the data available.

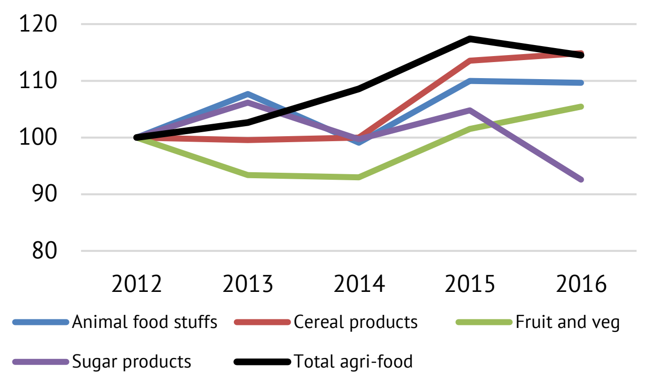
In 2016, the UK exported almost €390 million worth of fruit and vegetable products into Ireland. This included a wide variety of raw materials (e.g. fresh potatoes – €30 million) and processed products (e.g. processed potatoes – €79 million). Fresh vegetable exports from the UK (excluding potatoes) were estimated at just over €80 million. This category also included a wide variety of products with a more exotic origin (e.g. orange juice - €20 million) which of course are of limited interest to UK agriculture.

Last year, the UK exported around €143 million of sugar products into Ireland, with sugar confectionary (€62m), beet or cane sugar in sucrose form (€31m) and raw sugar beet (€21m) being the most significant.

Oilseeds imports into Ireland are relatively low, with imports from the UK estimated at just over €14m last year. Oilseed meal and flour accounting for the majority of this amount. It should also be noted that oilseeds are likely to be a significant ingredient in several of the animal feed products that the UK dispatches into Ireland.

In the last five years, CSO data also reveals that UK agri-food exports to Ireland have been increasing. There are likely to be a number of reasons for this. Firstly, the Irish economy has rebounded strongly since the aftermath of the 2008 financial crisis which caused significant damage to the Irish economy. For sectors such as animal feed, it is likely that the removal of milk quotas in 2015 and the resultant expansion of the Irish dairying industry has driven demand for animal feed. Sugar imports have been fairly erratic and this is partly due to variations in sugar beet imports which are likely to be linked with declines in UK production since 2012 whilst there was also a significant decline in sugar confectionary imports during 2016. *While total agri-food imports may have declined in 2016, the effect of a weaker Sterling which make UK exports more competitive should have a positive influence on UK agri-food exports to Ireland in the year ahead.*

UK agri-food exports to Ireland Index (2012-2016) (2012=100)



Source: Irish CSO

Overall, the data shows that Ireland is a major agri-food export market for the UK. Whilst much of the trade-related Brexit debate has focused on Irish exports to the UK (valued at €4.8 billion in 2016), there is also substantial exposure in the opposite direction (€3.7 billion). Therefore, it is in the interests of UK agri-food exporters and the arable farming sector that the post-Brexit deal permits frictionless trade between the UK and Ireland to continue.

Potato prices update

The 2016/17 season has been one of the highest priced of recent years with free-buy values exceeding £300/tonne. That has meant a rare second high-priced season in a row. Those hoping for a third high priced season in a row might be disappointed.

World Potato Markets estimates suggest that the 2017 UK potato area might be similar or even a little less than 2016 at 137,000 ha. That figure is higher than AHDB estimates as it is based on Defra estimates which include Northern Ireland production and very small potato farms. An average yield would deliver 5.617 Mt; 5% higher than last year.

Dry weather in summer 2016 impacted on potato production in the UK and its near continental neighbours, but a return to more normal conditions will push production up in the five main potato producing countries (Belgium, France, Germany, Netherlands and UK) by nearly 8% to 35.700 million tonnes - the highest level since 2014 when European prices plunged to less than €15/tonne for some Belgian free-buy potatoes.

While most growers will be expecting lower prices than the current season, values may not plunge as much as they did three years ago. Since then processor and packer capacity in the five countries has increased, led by Belgium where manufacturers can process 20% more potatoes than they did in 2014. Although not to the same extent, there has been an increase in capacity in other countries too, including in UK processing.

Potatoes are one of the most weather sensitive crops, so it is too early in the season to predict final production figures with a high degree of confidence. Although production in the five EU countries is on course to be one of the highest ever, there is still plenty of time for the weather to intervene. Last season saw the largest planting of potatoes in the five countries ever. If there had been a repeat of the high 2014 yields then there would have been 37.070 million tonnes, 3.877 million tonnes more than estimated production (33.193 Mt). If the 2014 yields are repeated this year then production could be a massive 37.312 million tonnes which would inevitably lead to lower prices.

So far early season weather conditions, including in much of eastern UK, have been very good allowing growers to plant successfully and get the crop off to a good start. Perhaps the only concern among some is dry conditions with already some reports of growers using irrigators. A continuation of the dry conditions and restrictions on irrigation would seriously limit yields. Similarly, there could be a repeat of the 2012 season that saw high rainfall levels in summer and autumn severely affecting production.

At the moment, conditions look set fair raising the prospect of a larger crop and lower prices than last year. That might be a disappointment to growers, but not a surprise.

EU potatoes –area, yield and production, 2012-2017 (forecast)

Area ('000 ha)	2012	2013	2014	2015	2016(p)	% ch.	2017(f)
Germany	238.3	242.8	244.8	236.7	235.5	1.9%	240.0
France	154.1	161.2	168.3	167.0	175.6	-0.3%	175.1
Netherlands	149.8	155.8	155.5	155.7	156.3	0.4%	156.9
UK	148.8	139.3	140.5	128.5	138.5	-1.1%	137.0
Belgium	67.0	75.3	79.6	78.7	89.6	2.3%	91.7
EU-5	**757.9**	**774.4**	**788.8**	**766.6**	**795.5**	**0.7%**	**800.7**
EU-28	**1,800.4**	**1,750.9**	**1,693.9**	**1,657.0**	**1,689.7**	**-1.2%**	**1,668.7**
Yield (t/ha)							
Germany	44.8	39.8	47.4	43.8	43.2	*6.0%*	*45.8*
France	41.4	43.2	48.0	42.8	40.5	*10.3%*	*44.7*
Netherlands	45.2	42.2	45.7	42.7	42.6	*3.6%*	*44.1*
UK	31.1	41.1	42.0	43.7	38.6	*6.2%*	*41.0*
Belgium	42.0	45.5	51.3	46.6	43.5	*8.7%*	*47.3*
EU-5	**41.2**	**41.8**	**46.6**	**43.6**	**41.7**	***6.9%***	***44.6***
EU-28	**30.0**	**30.9**	**35.4**	**32.2**	**33.1**	***4.3%***	***34.5***
Harvest (Mt)							
Germany	10.666	9.670	11.607	10.370	10.177	*8.1%*	*10.998*
France	6.376	6.957	8.084	7.154	7.116	*10.0%*	*7.826*
Netherlands	6.766	6.577	7.100	6.652	6.653	*4.0%*	*6.921*
UK	4.630	5.719	5.902	5.620	5.348	*5.0%*	*5.617*
Belgium	2.812	3.428	4.083	36.63	3.899	*11.3%*	*4.339*
EU-5	**31.248**	**32.351**	**36.776**	**33.459**	**33.193**	***7.6%***	***35.701***
EU-28	**54.082**	**54.102**	**60.041**	**53.340**	**55.968**	***3.0%***	***57.642***

Sources: National statistical authorities; Eurostat; AMI., World Potato Markets
Note: All potatoes incl. starch potatoes. *World Potato Markets forecasts in italics*
(p) provisional; (f) forecast

UK Surveys and Reports

Abstract:

- English farm rents up slightly in 2015 but are trending lower in 2016.
- UK poultry production continues to increase which is helping to fuel animal feed demand.
- ECHA delivers opinion that glyphosate is not carcinogenic.
- EU approves ChemChina's takeover of Syngenta and Dow-DuPont merger.

Farm rents in England

On 30th March, Defra published estimates of farm rents paid in England and Wales under Full Agricultural Tenancies (FATs), i.e. Agricultural Holdings Act tenancies, and Farm Business Tenancies (FBTs) based on the 2015/16 Farm Business Survey (FBS). NB These are prevailing average rents and not just new settlements.

Average rent of FATs 2015 (£/ha) and % change 2015/2014

Type of farm	2011[1]	2012[2]	2013	2014	2015	% ch
Cereals	172	182	190	192	194	+1%
General cropping	192	203	201	200	204	+2%
All farms	159	163	170	176	180	+2%

[1]Weighting methodology changed in 2012, amended figure for 2011 shown [2]Population base and typology coefficients of FBS changed in 2013, amended 2012 figure shown Source: Defra FBS

FAT rents have generally continued to increase since 2010. For cereal farms, values appear to have plateaued. Most regions experienced small increases with the exception of the East of England (-1%) and the South East (-4%).

Average rent of FBTs 2015 (£/ha) and % change 2015/2014

Type of farm	2011[1]	2012[2]	2013	2014	2015	% ch
Cereals	192	211	223	231	234	+1%
General cropping	307	264	290	309	274	-11%
All farms	179	176	196	207	209	+1%

[1]Weighting methodology changed in 2012, amended figure for 2011 shown [2]Population base and typology coefficients of FBS changed in 2013, amended 2012 figure shown Source: Defra FBS

The average FBT rent for cereals farms (£234/ha) was 1% higher than 2014 but general cropping rents were 11% lower. Poor crop prices have contributed to the relatively sluggish performance of farm rents generally during 2015. *As discussed last month, 2016 arable rents are trending downwards and as Brexit draws closer, future rental values, for FBTs in particular are likely to become increasingly uncertain.*

Fruit and vegetable price survey

Defra publishes weekly average wholesale prices for home-grown horticultural produce. Below are average annual prices (April to March) for selected fruit and vegetable commodities for 2015/16 and 2016/17. The latest weekly price (published 10th April) is also provided.

In general, prices have increased since last year and the weaker Sterling is likely to be a significant driver of this increase. Heavy rains in Southern Spain over the winter have also been influential, especially for salads as shortages forced supermarkets to ration some commodities (e.g. lettuce and cabbage).

National Average Prices of Home-Grown Horticultural Produce

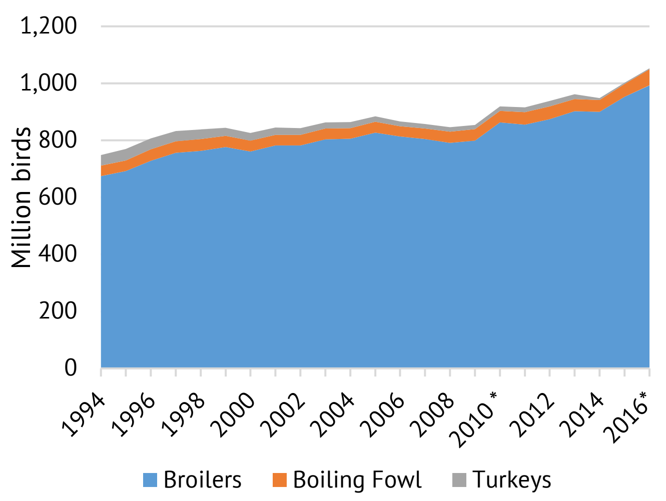
Commodity	Unit	2015/16	2016/17	% ch	Latest price (7th April)
Cooking apples (Bramley)	£/kg	0.61	0.72	19%	0.71
Dessert apples (Gala)	£/kg	0.66	0.73	11%	0.86
Pears (Conference)	£/kg	0.56	0.63	14%	0.79
Strawberries	£/kg	2.23	2.41	8%	2.51
Bulb onions (Yellow)	£/kg	0.32	0.37	18%	0.32
Bulb onions (Red)	£/kg	0.45	0.46	2%	0.45
Cabbage (Savoy)	£/head	0.40	0.43	7%	0.41
Carrots (topped-washed)	£/kg	0.39	0.38	-5%	0.34
Cauliflowers (Kent)	£/head	0.59	0.71	21%	0.52
Lettuce (Little Gem)	£/twin	0.53	0.58	10%	0.65
Tomatoes (Round)	£/kg	0.94	0.98	5%	1.58

Source: Defra, analysed by InsideTrack

UK poultry production

Latest Defra estimates show that poultry production in February 2017 (143 Kt) was up 4% on the same period last year with broiler slaughterings up 4.2% over the same period. As the chart below shows, annual broiler slaughterings have risen substantially (by 36%) since the mid-1990s and in 2016, nearly 1 billion broilers were slaughtered. Conversely turkey slaughterings have declined by over 90% in the past two decades and in 2016 an estimated 3.2 million birds were slaughtered.

UK poultry annual slaughterings, 1994 – 2016, million birds



* denotes 53 week statistical year Source: Defra

Looking ahead, broiler production is continuing to expand with chick placings up by over 5% in February vis-à-vis last year. Some declines have been noted in the commercial layer chick placings (down by 14%) and this is partly a reflection of the relatively subdued prices experienced in the laying sector in recent months.

Animal feed demand continuing to increase

From an arable farming perspective, increased poultry production is leading to increased animal feed demand and latest Defra statistics corroborate this. In the year to February 2017, Defra reports that poultry feed usage (6.18 Mt) is 4% higher than last year with broiler chicken feed (3.5 Mt) up by 6.3%. Overall annual feed production (13.53Mt) was up 2% on the previous year. Whilst cattle feed usage is down (by 1.5%) over 12 months, latest month-on-month data suggest a recovery, driven primarily by dairying. Annual sheep feed usage is up significantly (by 14%) as the slow finishing conditions experienced in late 2016, has led to increased demand.

These trends are positive for the arable sector and helps to support prices in times of abundant stocks globally.

Crop Protection

Glyphosate not carcinogenic - ECHA

The European Chemicals Agency (ECHA) Risk Assessment Committee (RAC) has delivered its highly anticipated opinion on glyphosate concluding that "*the available scientific evidence did not meet the criteria to classify glyphosate as a carcinogen, as a mutagen or as toxic for reproduction.*" The RAC has maintained its current harmonised classification of glyphosate "*as a substance causing serious eye damage and being toxic to aquatic life with long-lasting effects*."

This opinion forms a major part of the assessment of whether glyphosate will be re-approved which is due to be decided by the EU (Commission and Member States) later this year.

Whilst this opinion will come as a relief to many in the industry, it does not guarantee the re-approval of glyphosate, although it does increase its chances significantly. The issue will remain subject to intense political debate in the coming months and, as has been the case in the past, where politics conflicts with science, it is not necessarily the case that science prevails.

Major deals get conditional EU approval

ChemChina's takeover of Syngenta

On April 5th, ChemChina won conditional EU approval for its $43 billion Syngenta takeover. The EU Commission had concerns that the transaction would reduce competition in a number of pesticides and plant growth regulators' markets. However, the Commission stated that these concerns were addressed based on commitments made by ChemChina including divesting;

- a significant part of Adama's existing pesticide business, notably **fungicides** for cereals, fruits and oilseed rape, **herbicides** for cereals, corn, sunflower and vegetables, **insecticides** for cereals, corn, fruits, oilseed rape, and vegetables and its **seed treatment products** for cereals and sugar beet;
- some of Syngenta's pesticides, notably **fungicides** for vegetables and **herbicides** for cereals, vegetables and sunflower;
- 29 of Adama's **generic pesticides under development** and access to third parties to studies and field trial results for these products;
- a significant part of Adama's **plant growth regulator business for cereals**; and

- all relevant **intangible assets** underpinning the divested pesticide and plant growth regulator products. They will also make available relevant personnel.

The deal also won US antitrust approval on April 5th, conditional on ChemChina divesting its generic production of the herbicide *paraquat*, fungicide *chlorothalonil*, and the insecticide *abamectin*. On April 10th the Mexican competition authority also approved the deal. These approvals are major steps towards closing the deal, which is now expected in Q2 2017.

Dow-DuPont merger

The EU Commission granted conditional approval for the $130 billion merger on March 27th. Commissioner Margrethe Vestager stated that conditions were put in place to help ensure that the merger does not "*reduce price competition for existing pesticides or innovation for safer and better products in the future*."

The commitments made by both parties include globally divesting DuPont's existing pesticides business including its R&D organisation encompassing;

- its **herbicides** for cereals, oilseed rape, sunflower, rice and pasture (*thifensulfuron, tribenuron, metsulfuron, chlorsulfuron, triflusulfuron, lenacil, flupyrsulfuron, ethametsulfuron and azimsulfuron*) and **insecticides** for chewing insect and sucking insect control for fruits and vegetables etc. (*indoxacarb, cyazypyr and rynaxypyr*).
- An exclusive license to DuPont's product for rice cultivation in the European Economic Area to address the more limited concerns relating to fungicides.
- **DuPont's global R&D organisation**, with the exception of a few limited assets that support the part of DuPont's pesticide business, which is not being divested.

Dow will divest its two manufacturing facilities for acid co-polymers in Spain and in the US.

The deal is still to be approved by regulators in the US, Brazil, China, and Canada, but the EU approval has greatly increased market confidence that the merger will be completed.

If these deals in addition to Bayer's proposed takeover of Monsanto were unconditionally approved it would have potentially meant that over 60% of the world's patented seeds and pesticides businesses would be controlled by three businesses. The fact that the approvals are accompanied by divestment conditions should create some opportunities for smaller players to enhance their positions. However, it remains to be seen whether such divestments will be sufficient to prevent the erosion of price competition and lead to the product development innovation that such consolidation is intended to facilitate.

BPS and Policy

Abstract:

• 75% bridging payments for 2016 BPS claimants whose payments have been delayed.
• Continued support payment delays in Scotland lead to calls for Rural Payments IT system to be scrapped.
• EU Commission confirms that the percentage of arable land that needs to be allocated as EFA will remain at 5%.
• BPS 2017 claim window enters into full swing.

2016 support payment updates

England

The RPA has written to all those eligible claimants who had not received their 2016 Basic Payment by the end of March. These will now receive a bridging payment whilst their claim is still being finalised. The payment will be 75% of the estimated value of the 2016 Basic Payment. Those with a cross-border claim or where money is owed to the RPA, will receive less than the 75%. Where a claimant has already received a BPS Financial Support Payment (FSP) this will also be deducted from the estimated 75%. Those who have applied for a FSP but not yet received it, will get the bridging payment now instead. The RPA started issuing payments from the beginning of April. Once the full claim has been finalised, the BPS will be paid less the bridging payment already received.

Scotland

In Scotland many are calling for the Rural Payments IT system to be scrapped as delays in the delivery of support payments continue. The latest to fall foul of the system are LFASS payments; these were due to be paid in March, but will now be offered to claimants via a further Scottish Government funded loan (initial 2016 BPS payments were made using a Government loan). Letters should be sent out to eligible claimants by the end of April offering the loan. Fergus Ewing, the Rural Economy Secretary has also provided a timetable for delivery of other support payments:

- **BPS including Greening** and **Young Farmer Payments** - 90% should now be in bank accounts. The remaining 10% (top-up) will be paid by the end of June 2017, when the BPS payment window closes
- **Scottish Suckler Beef Support** and **Scottish Upland Sheep Scheme** - payments to be made in May 2017
- **Rural Priorities** - payments will be made from July 2017
- **Agri-Environment Climate Scheme, Forestry Grant Scheme** and **Land Managers Options** - payments to be made during the Autumn of 2017
- **Beef Efficiency Scheme** - during Autumn 2017

EFA to Remain at 5%

The EU Commission has confirmed the percentage of arable land that needs to be allocated as Ecological Focus Areas (EFAs) will remain at 5%. There was a possibility of this being increased to 7% from 2017 onwards, if a 'study' backed the move. Under the Greening rules for the Basic Payment Scheme where a farm has more than 15 hectares of arable land, currently 5% of the farm's arable area must be in Ecological Focus Areas (EFAs). The Commission has confirmed there will be no increase, stating that the area of land already dedicated to EFAs amounted to more than the 7% threshold. Latest figures from 2015, which include all Member States (apart from France) reveal that 10% (nearly 8m Ha) of land is actually reserved for EFAs. The results for 2016 are expected to show a similar position.

It is worth noting though, the results from the study could see the rules and requirements surrounding EFAs being changed so that the most ecologically beneficial features (such as hedgerows and buffer strips) are made more attractive. As the rules are currently, hedgerows and buffer strips only accounted for 1.7% and 0.7% respectively. The study revealed the majority of farmers were opting to grow Nitrogen Fixing Crops (NFC) or Catch Crops to satisfy their EFA requirements. The areas under these two options accounted for 39% and 15% of the total EFA respectively, even after the weighting factors of these options were taken into consideration. The results will be fed into a wider evaluation of the CAP Greening measures due to be finalised by the end of the year.

BPS 2017

As the 2017 BPS claim window enters into full swing below are a few reminders and points to note for claimants in England:

- The RPA's dedicated webpage can be found at www.gov.uk/rpa/bps2017 this contains all the guidance notes, forms and details of any 'downtime' planned for the online system

- It appears there continues to be glitches with the system. Make sure you check the online claim carefully before submitting, there are still instances being found where column C8 (area for activating) on the pdf application summary is showing 0.0000
- Remember to either save or print off a pdf copy of what you have submitted at the time of submission
- All accompanying documentation still has to be sent hardcopy. Ensure the SBI number is on it and that it reaches the RPA by May 15th (get proof of delivery) to avoid penalties
- Ensure accompanying maps are marked up clearly. Include measurements and annotations on the map not in a covering letter
- Check 'Permissions' status if there is no 'submit' button
- Remember in 'dual use' situations the relevant parcels must be on both applications. The party which requires the land for the agri-environment agreement needs to ensure the land uses and areas are deleted and that C8, area to be activated shows 0.0000. Do not 'transfer' the land otherwise this will sever the link with the SBI for the agri-environment agreement
- There are new RLE1 and Young & New Farmer guidance booklets available these can be found at https://www.gov.uk/government/publications/tell-the-rural-payments-agency-about-land-changes-and-entitlement-transfers and https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607561/Young_and_new_farmer_2017_Guidance_v2.0.pdf

Rural Development

LEADER: spend, spend, spend

Defra has urged Local Action Groups (LAG) running LEADER projects to blow as much money as they can now while there are EU funds to spend.

In a letter to LAG Chairs and Accountable Bodies (ABs) on 29th March, Defra confirmed that LAGs could enter into funding commitments right up to the time that the UK leaves the EU, and the Government would honour those commitments after the UK leaves the EU. However Defra would prefer LAGs to give project agreements earlier rather than later so that as much is funded with EU co-financing as possible, rather than without any EU co-financing post-Brexit.

At meetings with the RPA, ABs have been told to get as many projects into the pipeline no later than September 2018 with a view to having paid most funds out by March 2019. The RPA is less likely to approve projects that will lead to grant claims post March 2019 so as to slow down expenditure from treasury coffers. It will certainly be taking a keen interest in any projects likely to need much funding after March 2019.

To maximise spending of EU funding pre-Brexit, the RPA are relaxing all sorts of restrictions that applied previously. One suggestion that Defra is considering is to allow AB's to spend more than 18% on management and administration so as to put more staffing capacity behind the programme. This should allow the scheme to be promoted wider and applications processed faster.

The RPA is also relaxing some of the requirements of the programme such as encouraging LAGs to increase the size of projects prioritised from the maximum guideline of £35,000 of funding for most types of project to £100,000 and beyond. ABs are also to given more flexibility to move funding between the LAGs chosen priorities and the application process is being simplified and fast-tracked.

As ever with Defra managed discretionary schemes, the first two years of LEADER were spent frustrating farmers and other potential applicants by creating and implementing complex rules which led to little delivery, and the final two to three years will be spent relaxing the rules so that as much funding can be splashed out to farmers who have lost interest.

With grant funding of 40%, which is higher than that available from the Growth Programme administered by Local Enterprise Partnerships, potential projects should revive any past interest and look again at LEADER.

CSS "badly managed"

The Countryside Stewardship scheme was described as *"badly managed, under-resourced and ineptly designed"* by the Chairman of the Environment, Food and Rural Affairs (EFRA) Committee of the House of Commons at its inquiry on the 21st March.

During robust exchanges with the EFRA Committee, Guy Thompson - Chief Operating Officer (COO) of Natural England (NE) - admitted that the scheme has got off to *"an imperfect start"* with *"volumes that are still relatively low"*.

Countryside Stewardship Scheme take-up

New agreements	**15/16**	**16/17**	**17/18***
Mid-Tier	1,894	3,804*	4,000
Higher Tier	459	646*	735
Hedgerows and Boundary	0	782*	1,000
Existing agreements			
Mid-Tier	0	1,894	5,594
Higher Tier	0	273	689
Hedgerows and Boundary	0	782	1,500

* estimated/predicted — Source: EFRA Committee

Thompson defended NE's 'imperfect' performance by blaming the onerous requirements of the EU but did not blame the RPA payment systems. But this did not satisfy Neil Parish, the Committee Chair *"We are not entirely stupid in this committee. We know that the system is not working"*. The Operations Director of the RPA, Jo Broomfield, was pressed to explain what the problem was with the mapping. After many minutes of prevarication, during which Parish said he might "explode", Broomfield eventually recognised that *"errors do occur in the mapping process. We need to continue to improve that"*.

One aspect that came up time and again in the questioning of Broomfield was that the RPA lacked the resource to both meet the 90% BPS target and pay agri-environment schemes on time. Payments were prioritised and 'sequenced' so that BPS was paid first, Environmental Stewardship (ES) second, and the CSS was an afterthought at third.

Having blamed the EU for the RPA's poor performance, the NE COO said that post-Brexit he would scrap the computer system and run a 'light touch' payment by results scheme.

No doubt that will solve all the RPA's problems.

Countryside Stewardship goes online

As indicated last month, Defra has launched its online service to submit Countryside Stewardship annual revenue claims and any capital claims.

Defra claims that the online system, which is similar to the BPS online claim and sits within the same online service, is simple and convenient to use as applications can be saved and returned to as and when time permits. There is an online guide to help applicants through the steps and it provides instant confirmation that submitted claims have been received. The online validation is *supposed* to lead to less worry about errors as the system prevents overstating of field sizes, and blocks claims on ineligible land parcels.

However initial testing by the NFU has highlighted some issues. Whilst all of the data was being correctly captured onto the system, the Claim Summary at the end of the process showed two errors:

a) **Total Parcel Size:** Column 3 was showing the option size rather than the total parcel size (where the option size is less than the total field size).
b) **Option Area:** In some circumstances, column 5 was showing 00.00 instead of the option area claimed for linear options.

Natural England are fixing the errors but any applicants who commenced or submitted claims in early April should regenerate and download the claim summary to pick up the fixes.

Farmers will receive a letter inviting them to submit a claim. Those who want to use a paper form can re-quest one from Natural England. For more information https://www.gov.uk/government/publications/countryside-stewardship-how-to-submit-claims-online

To encourage more interest in the scheme, Defra has announced that it is holding events to help applicants with their 2017 Mid-Tier Applications. For detail on the date and venue of an event in your area, see: https://www.gov.uk/government/publications/countryside-stewardship-mid-tier-events-2017

Finally Defra has updated its manual for Woodland Tree Health Grants under Stewardship at the beginning of the month. These grants are made up of two parts:

1. **Woodland Tree Health Restoration:** to provide support for restocking after felling due to a tree health issue.
2. **Woodland Tree Health Improvement:** to support the removal of diseased trees and infected rhododendron.

For more information go to: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/606858/cs-woodland-tree-health-manual-2017.pdf

Scottish scheme to support new farmers

The Scottish Government has announced additional funding worth £2.5m to help new entrants into farming. This latest award aims to support a further 47 new farming businesses.

Announcing the funding, Rural Secretary Fergus Ewing said:" *This brings the total funding from EU and Scottish Government to over £9 million, supporting the development and creation of almost 180 new farms across Scotland, and I would encourage anyone interested in entering farming to consider these schemes.*"

The application window for the latest round of funding opened on 1st April and closes on 30th September. Further information can be obtained via: http://www.gov.scot/Topics/farmingrural/Agriculture/NewEntrantsToFarming

Last tranche of RDP funds in Wales

Welsh Cabinet Secretary Lesley Griffiths confirmed at the end of March that she is fully committing the remaining tranche of funding under the Welsh Government Rural Communities – Rural Development Programme 2014 – 2020 (RDP).

The funding, a combination of Welsh Government and EU money, will provide Wales' farming and rural sector with a certain degree of assurance that they can start to make future plans and shape their business operations accordingly. A wide range of schemes will now open including Farm Business Grant, Glastir Advanced, Food Business Investment Scheme, Co-operation and Supply Chain Development, Glastir Woodland Creation and Rural Community Development Fund.

The Cabinet Secretary made the decision to fully commit the remaining EU element of the funding, totalling £126.3m, after the UK government guaranteed funding for all projects signed before the UK leaves the EU. The Welsh Government will also provide £96.4m.

Environment

UK greenhouse gas emissions decreasing

The Department for Business, Energy and Industrial Strategy has released its latest greenhouse gas (GHG) estimates which include provisional data for 2016. Emissions are generally decreasing with total carbon dioxide (CO_2) equivalent emissions down by 38% since 1990. Carbon dioxide accounts for the majority of UK greenhouse gas emissions (82% in 2015). CO_2 emissions in agriculture, which are estimated at 5.2 Mt of CO_2 equivalent, are also down by 26% over the same period.

The study reports CO_2 in net emissions terms which means total emissions from burning fuel minus total removals of carbon dioxide from the atmosphere by *carbon sinks*, which are incorporated within the land use, land use change and forestry (LULUCF) sector, encompassing afforestation, reforestation, deforestation and forest management. LULUCF emissions are therefore expressed as a negative figure.

UK net greenhouse gas emissions by source sector, 1990-2016

Emissions source (Million tonnes carbon dioxide equivalent ($MtCO_2e$)	1990	2015	2016*	% of total (2015)	% change 2015 vs 1990
Energy supply CO_2	242.1	136.4	110.9	28%	-44%
Business CO_2	111.6	68.6	61.5	14%	-39%
Transport CO_2	119.2	118.8	119.8	15%	0%
Public CO_2	13.4	8.1	8.5	2%	-40%
Residential CO_2	78.4	63.4	66.3	13%	-19%
Agriculture CO_2	**7.0**	**5.2**	**5.2~**	**1%**	**-26%**
Industrial process CO_2	19.4	12.1	10.6	2%	-38%
Waste management CO_2	1.3	0.3	0.3~	0%	-80%
LULUCF	3.2	-8.9	-8.9~	n/a	-375%
Total CO_2	**595.7**	**403.8**	**374.1**	**81%**	**-32%**
Other GHGs	203.3	91.9	91.9	19%	-55%
Total CO_2 equivalent	**799.0**	**495.7**	**466.0**		**-38%**

* 2016 estimates are provisional
~ 2016 emissions (agriculture, LULUCF & waste management) assumed to be the same as 2015
Source: Department for Business, Energy and Industrial Strategy

At first glance, the results suggest that agricultural emissions are broadly in proportion to its contribution to the UK economy (both circa 1% in 2015). However in agriculture, other GHGs such as nitrous oxide (N_2O) and methane (CH_4) are arguably more significant than CO_2. These emissions are captured in the other GHGs segment in the above table. A 2011 Defra study estimated that agricultural GHG emissions, estimated at 49 $MtCO_2e$ in 2009, accounted for 9% of total UK GHG emissions, with N_2O and CH_4 together accounting for more than 90% of this amount. Whilst the decreases noted in the latest report are positive, farming still has a lot of work to do to bring its emissions to more sustainable levels.

Water situation reports

The Environment Agency publishes monthly water situation reports for England which are worth monitoring. March rainfall totals were slightly above the long-term average (LTA), but there were significant regional variations with rainfall in the South East of England at one-third of LTA. This contributed to the development of soil moisture deficits which also affected the East of England, although soils were close to saturation across most of the country. Groundwater levels and reservoir stocks generally increased during March with overall reservoir storage for England increasing to 95% of capacity. In addition to national (English) updates, regional reports are also published from time to time. Further information can be found via:

https://www.gov.uk/government/statistics/water-situation-report-for-england-march-2017

As water shortages become more common, these reports are helpful in identifying where risks may be most prevalent this season.

In brief...

Key dates for coming weeks

Key dates* for Cross Compliance and ELS – main options			
Rule/ option	**ELS edn.****	**Date**	**Action**
GAEC 6		16 Apr	You must not burn heather, rough grass, gorse or vaccinium in upland areas from this date (until 30 September).
SMR 1		30 Apr	You must have recorded the number of livestock kept during the previous calendar year and calculated amount of N they produced. You must also record the number and type of livestock in a building or hardstanding during the previous storage period.
GAEC 7A & 7C		1 May	You must not carry out hedge-laying or coppicing of hedgerows from this date (until 31 August or 31 July with derogation).
CAP		1 May	Beginning of fallow period for crop diversification (until 30 June)
EK21	2013	1 May	Rest for a 3 - 5 week period between 1 May and 31 July
EF22	2010, 2013	15 May	Undesirable weed species may be controlled by spraying from this date.

*This summary is a memory prompt – always check guidance and/or contract **ELS edition which applies is determined by date of contract All = all editions where option is available
Source: RPA and Natural England

Abstraction charges

The Environment Agency has published details of its scheme of water abstraction charges for April 2017 to March 2018. Further information is available via: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/604572/LIT_9909.pdf

Weetabix sold to US buyer

Chinese owned Bright Food Group Ltd. is to sell Weetabix to a US company, Post Holdings, for $1.76 billion (£1.4 billion). A few months back, it was reported that Post Holdings was one of four potential suitors for the iconic Weetabix brand. The others being Associated British Foods, Cereal Partners Worldwide and the Italian company Barilla. Post Holdings is headquartered in St. Louis, Missouri and is a packaged goods holding company whose businesses manufacture and market a diverse range of branded and private label food products. It is reported to be the third largest cereals firm in the US, although its footprint outside of North America appears to be small. Northamptonshire-based Weetabix employs 2,000 people, has manufacturing facilities in Europe, Africa and North America and its products are exported to around 80 countries globally.

Smart Farming Workshop

Agri-Tech East in partnership with Smart-AKIS, the European Network for Smart Farming are hosting a workshop focusing on technologies around aerial imaging and precision agriculture. It will encompass discussions on the needs and opportunities of farmers and innovators to make smart farming a commercial reality. It will also examine how to overcome barriers to adoption of smart farming, finding the untapped opportunities, and ensuring the outputs of the discussions about these new technologies get to the heart of policy-making. Further information is available via: http://www.agritech-east.co.uk/events/smarter-not-harder-open-innovation-for-smart-farming/

Carr's Group profit down but agriculture boosts revenue

The agricultural and engineering group, which owns Carrs Billington country retail stores and is a significant UK animal feed supplier, reported pre-tax profits of £8.3 million in the 2 weeks ending March 4th, which is about 1% down on the same period last year. Revenue rose by 15% to £176.8 million with its UK agriculture and machinery sales businesses performing well.

Consultations relevant to arable sector

Consultations announced	
Description	**Department & deadline**
A call for evidence to gather information on the use of red diesel https://www.gov.uk/government/consultations/red-diesel-call-for-evidence	H M Treasury 30 June
Guidance on Engaging Communities in Decisions Relating to Land https://consult.scotland.gov.uk/land-reform-and-tenancy-unit/engaging-communities-in-decisions-relating-to-land/	Scottish Government 16 June

Consultations reported or Government responses	
Description	**Department & deadline**
Review of the Environmental Impact Assessment (Agriculture) (Wales) Regulations 2007	Welsh Government 4 April

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