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## Domestic demand for beef is on the rise

Domestic demand for beef is rising slowly.

With a background of economic growth and low unemployment, the sector is expected to benefit from more meals being eaten outside the home.

However, the AHDB warns in its latest UK beef market outlook that food price inflation remains a risk.

Production is set to remain relatively stable, with a 1% increase forecast for next year, followed by falls in 2019 and 2020.

The impact of slightly higher cattle numbers coming through is generally expected to be offset by the trend to lower overall average finished carcass weights.

While steer and young bull carcasses are on average 5.5kg and 2kg lower respectively so far this year compared with 2016, heifer and cow weights have risen slightly.

### BEEF HIGHLIGHTS

- \* Relatively stable UK production, consumption rising
- \* Imports are up 2% so far this year while exports are down 7%
- \* Higher imports forecast next year but falling in 2019 and 2020
- \* Export prospects limited more by availability than currency

AHDB's forecast sees further reductions in prime carcass weights through to 2020.

The national dairy herd is expected to fall in the next couple of years while the suckler herd is expected to stabilise, in both cases because of uncertainty over Brexit, says the AHDB.

For the second year in a row, there has been little or no growth in overall calf registrations.

## Chicken beats beef at McDonald's

\* Fast food chain McDonald's is to increase its use of British chicken.

Poultrymeat is now more popular than beef in its restaurants, said Connor McVeigh, the firm's supply chain director.

He told the Egg and Poultry Industry Conference this week that by 2020, the volume of poultrymeat from British farms would be 10-11 times higher than it was in 2013.

Mr McVeigh was unable to give an exact percentage of its chicken that would be British by that date, saying work to define exactly how procurement would change was still under way.



provided sterling stays weak

- \* Imports are lower due to strong NZ dollar and high NZ domestic prices
- \* Almost 8% fewer new-season lambs sold at auction in January-September than the same period last year – potential for more lambs to be carried over into the new year than last season

### ACTUAL AND FORECAST UK SUPPLIES OF BEEF AND VEAL

000t	2016	2017 (f)	2018 (f)	2019 (f)	2020 (f)
Production	908	893	902	901	896
Imports	426	435	443	439	434
Exports	143	133	144	129	111
Total consumption	1,191	1,194	1,202	1,211	1,219

(f) = forecast. Source: Defra, HMRC, AHDB

## Lamb to get €10m EU fund boost

\* A three-year campaign to promote lambs as a healthy, versatile and nutritious protein across England, Ireland and France has secured €10m (£8.8m) of EU funding.

The campaign will require €1m of UK funding to secure the €10m.

This follows the €7.7m Tasty, Easy, Fun campaign which was run by the AHDB in England, Interbev in France and Bord Bia across six EU countries, launched in 2015.

systems to enable better use of renewable electricity produced on farm

- \* Installation of wavelength-specific LED lighting to aid crop growth
- \* Low-emission precision slurry and digestate management equipment including deep or shallow injection, trailing shoe or dribble bar systems. Also, slurry/digestate umbilical systems, tankers and storage bags

gramme must be in by 29 June 2018.

The CPS is part of the Rural Development Programme for England. The first phase of the scheme, announced in July, included £6m for people looking to improve forestry productivity and £14m for water resource management.

## Early BPS entitlement deals struck at £150/ha

English lowland Basic Payment Scheme (BPS) entitlements have started trading at up to £150/ha.

The number of deals that have taken place to date is very limited. Hugh Townsend of Exeter-based agent Townsends said he struck his first deals of the 2018 year in mid-September, with non-severely disadvantaged area (non-SDA) entitlements selling for £150/ha plus VAT.

This is slightly higher than the average price in 2017, which was £144/ha, although across the whole of last year's trading period prices ranged from a low of £100/ha to a high of £180/ha.

The bulk of trading typically happens in the final few weeks before the submission of the BPS form.

Mr Townsend said entitlement values had dropped in 2017 as a reaction to the Brexit vote.

However, he said there could be greater confidence this season following prime minister Theresa May's Florence speech, which suggested a two-year transitional period beyond March 2019.

Tony Rimmer of Cheshire-based Rostons said he expected trade to pick up once 2017 BPS payments started to arrive in farmers' bank accounts.

People were buying on the basis that the entitlements would unlock support payments for 2018 and 2019.

"Beyond that, anything is possible," he said.

## online

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